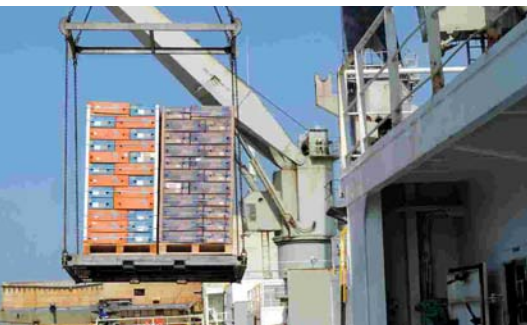




Supporting citrus growers to be globally competitive

OUR MISSION

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

STRATEGIC OBJECTIVES

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

Citrus Growers' Association of Southern Africa

Reg. No, 2000/010147/08

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2018

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CHAIRMAN'S REPORT

Pieter Nortje

We look back at the year 1 April 2017 to 31 March 2018.

After six years of being Chairman of the Citrus Growers Association, I communicated to the Board at the beginning of this year that I would like to step down to ensure good Governance. Therefore I asked the Board to look at a new leadership structure that will ensure continuity, strong leadership and security to the Industry we serve.

This new structure will operate as follows:

- Chairman - Ben Vorster
- Two Vice Chairmen - Cornel van der Merwe and Pieter Nortje
- Two Executive Members - George Hall and Fanie Meyer
- All will serve a term of 2 years
- The next Chairman will be one of the Vice Chairmen
- The outgoing Chairman serves as a Vice Chairman

I would like to congratulate Ben Vorster as the newly elected Chairman and wish him all the best in leading our Industry for the next two years.

When my term started in 2011, I set a goal for the whole CGA structure to deliver dividends on the levy, open new markets, protect and preserve current markets and save costs in our chain. I can safely state, and thank the Board and all staff in the CGA, that these goals have been met and surpassed. The greatest testimony to this is the fact that growers keep asking the CGA to get involved in more areas of the chain.

I would like to thank all the Boards of the CGA Group, all the staff and the grower community for the support, hard work and positive criticism over the last six years to elevate our Industry to being the best and, under difficult circumstances, being equipped to handle the obstacles thrown at us.

As far back as June 2013, we convened a Strategic Planning Session where the building blocks of "Citrus 2030" were identified.

Firstly the core, original Strategic Objectives:

- Administer, fund and resource the CGA Group
- Gain, retain and optimize market access
- Provide product and quality assurance



- Fund, control and implement research and development
- Engage with Government and other stakeholders
- Assist grower profitability and sustainability
- Drive Industry Transformation
- Facilitate efficient logistics

More importantly, new Strategic Priorities were identified and set:

- Government Relations
- Structure of the CGA Board
- Fruit SA
- CGA Grower alignment
- Market Access

How profound have these minds been?! In all these objectives, great advances and successes have been achieved and I would like to point out a few highlights.

Structure of the CGA Board

- Apart from the new structure of the Executive, the Board invited Ms Vangili Titi-Msumza to serve as Government Relations Director. Ms Titi-Msumza had until 2016 been SA's Agricultural Attaché in Washington. She was also DDG at DAFF. She therefore worked closely with both American and Chinese Governments regarding market access issues. She has also worked with Agbiz to open markets in Africa, as well as assisting the Western Cape with the Summer Citrus Campaign in the U.S.

We welcome Ms Titi-Msumza onto our Board with open arms and she has already made great contributions.

- KZN and Pongola regions were amalgamated.
- Areas with 13% or more of total volumes exported based on a three year rolling average, were awarded a second seat on the CGA Board. We welcomed Hannes de Waal for Sundays River, Jan Louis Pretorius for Letsitele and Piet Engelbrecht for Senwes.

Other movements on the Board

- Guy Whittaker replaced the very insightful Bertus Dillman for Limpopo
- Bennet Malungane filled the empty seat for PDI Northern Areas

Transformation

The CGA Grower Development Company is now fully operational and receives 20% of the Levy.

CGA Grower Alignment

The bi-annual CGA Citrus Summit has been a resounding success to inform growers and guide the CGA.

Market Access

Although it remains a very challenging and moving target, great strides have been made. In terms of gaining better and wider access to China and USA, major announcements are now imminent!

EU - The European Union is surprisingly still a growing market for us and, even considering that after a very real threat of that market closing on us completely, I still regard this as the CGA's biggest success story of the past few years. The CGA is not only still working very hard at maintaining access, but also at closing this dreadful chapter. As I have predicted many times, FCM might be an even bigger challenge, but the growers and the CGA have proved to be very resilient in overcoming such obstacles.

A farmer's best year is... next year, but we have to kneel and thank the "Great Gardener", our Lord for the Blessings we received during this past year.

Dit was 'n ongelooflike voorreg om hierdie Industrie op 'n beskeie manier te probeer dien.

Baie dankie, thank you, Enkosi.

Pieter Nortje

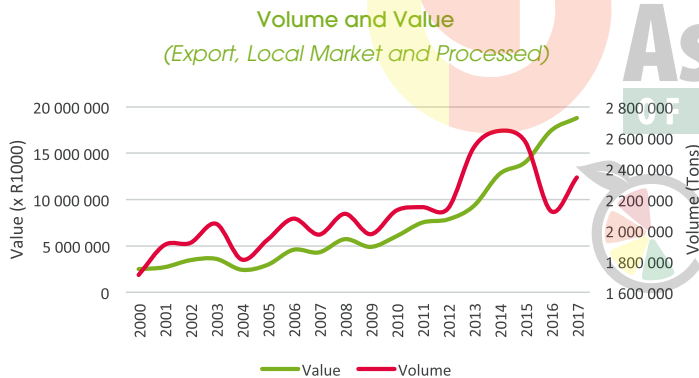


CEO'S REPORT

Justin Chadwick

The 2017 southern African citrus season was characterised by a return to growth in export volumes. A record crop of 1,845 million tons of citrus was exported to over one hundred countries around the world. The volume could have been higher - it is estimated that 75 000 tons of navel oranges were lost due to fruit drop. Here the industry's investment in research allowed the cause (hot, humid conditions during cell formation) to be identified - which could result in contingency measures should such conditions prevail again.

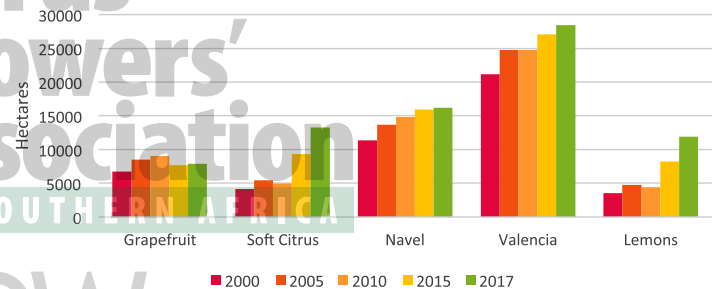
Export earnings continued their upward trajectory, despite the per unit returns for lemons, grapefruit and soft citrus showing their first decline for many years.



The CGA Board took a decision to strengthen the governance structure by including an additional Director from those regions with over 13% of the export volume - Letsitele, Sundays River and Senwes regions now have two regional Directors. In addition, a specialist non-executive Director to assist with government relations was included on the governance structure.

The topic uppermost on most grower's minds is the considerable increase in area under soft citrus and lemons. There are different opinions amongst growers with regard to the role that CGA should play in stimulating demand in order to take up the expected increase in supply. The Board resolved that CGA has a role to play in market research by determining where the most likely markets for the additional volumes could be. CGA could also assist variety focus groups or other grower groupings in facilitating initiatives to stimulate demand - but would not be involved in funding or implementation of such initiatives. To assist in directing CGA a Market Intelligence Committee was formed, and market research projects were initiated.

Southern African Citrus Industry
(Hectares planted per sector)



The focus of CGA's activities remains that of market access - with the bulk of the budget going to research conducted by Citrus Research International. Considerable time was spent on development of a False Codling Moth Management System (FMS) as new regulations in the European Union changed the phytosanitary status of this pest. CRI assisted the plant health authorities in South Africa, Swaziland and Zimbabwe to finalise and lodge the FMS before the cut-off date of 1 January 2018. At the same time, CGA is busy with the South African government in preparing the legal argument against the unjust measures imposed by the EU with respect to Citrus Black Spot (CBS).



There has been considerable focus on growing markets in Asia - with twenty four percent of export volumes now going to that region. China has been a success story, while outstanding issues in India mean a subdued volume to that market. Vietnam and Philippines remain attractive markets - with much work being done on securing access. Although the final rule for wider access to the USA (from areas outside of CBS pest free areas) has been stalled for some time, there are indications that publication may be finalised in 2018.

While industry growth translates into job opportunities, the earning of foreign exchange and a growing economy, government policies are hampering the ability of industry to progress further. In order to address government policy in a professional manner, and to work with government to enable trade, CGA is finalising the establishment of a Citrus Desk at AgBIZ.

Growers remain the core of the industry, and CGA strives to communicate effectively with all growers. During late February, early March successful meetings were held in all regions as staff of the CGA Group went on their biannual roadshow. Furthermore, important information is shared in weekly newsletters, social media and bi-monthly S A Fruit Journals.





ADMINISTRATION

Gloria Weare

Executive Assistant to CEO

Governance

Members of the Citrus Growers Association - the growers of export citrus - nominate representatives from their citrus growing regions to represent them on the CGA Board of Directors for a two year period.

This Board governs the CGA and keeps their constituents informed on all matters pertaining to the business of exporting citrus in a competitive market. Any issues of concern relating to citrus farming are communicated through these Directors to the rest of the Board and solutions are discussed and decided upon.

Each Director is expected to serve a two year term of office, with the growers having the opportunity to either nominate or re-elect a representative after that time.

The Chairman of CGA is supported by two Vice Chairmen, each filling the position for a period of two years before moving into the next position. Therefore when a Chairman steps down he will stay on as a vice chairman for two years. This would guarantee continuity.

During 2017/18 it was decided that the regions who exported 13% or more of the overall export volumes should be represented by two directors instead of one. As at 31st March 2018 there were three regions who attained this level - Sundays River Valley, Senwes and Letsitele.

Therefore in spite of the regions being amalgamated in some cases and now numbering 15, the number of directors stands at 18. Added to these are two directors representing the Previously Disadvantaged growers in the North and South of South Africa, and a Director of Government Relations.

There is also a non-regional director in charge of the Group Finance and Risk Review Committee (FRRC) who provides guidance on risk, financial and internal control management.

A representative of the National Agricultural Marketing Council (NAMC) is invited to attend all CGA Directors Board Meetings and Annual General Meetings. The continuation of the statutory levy is dependent on this body's approval every four years.

CGA Board of Directors

April 2017 to March 2018

Resignations: Bertus Dillman (Limpopo)

New appointments: Jan Louis Pretorius (second Director for Letsitele); Hannes de Waal (second Director for Sundays River Valley); Pieter Engelbrecht (second Director for Senwes); Guy Whitaker (Limpopo); Bennet Malungane (PDI North); Vangile Titi-Msumza (Government Relations)

Dates of Board Meetings

24 August 2017

Birchwood Hotel and Conference Centre, Johannesburg.

Apologies: Jock Danckwerts

22 March 2018

Intercontinental Hotel, Johannesburg.

Apologies: Charles Rossouw, Cornel van der Merwe, Jan Louis Pretorius, Per Noddeboe, Jock Danckwerts, Vangile Titi-Msumza, Pieter Engelbrecht

Executive Committee

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

It is to be noted that the Directors give of their time to represent their constituents on the CGA Board without any remuneration.

This is greatly appreciated.

COMMUNICATION

Gloria Weare

From the Desk of the CEO | Every Friday of the year, the CEO compiles a one pager which highlights items of interest to citrus growers and other stakeholders. This can include dates of upcoming events and meetings, give feedback on current matters, discuss the shipped and packed cartons of the week or inform readers of market access matters, as well as other information of relevance or importance to the citrus industry. Anyone is able to receive this Newsletter - email gloria@cga.co.za to be added to the mailing list.

Twitter | The CEO can also be followed on his Twitter handle: [justchad_cga](https://twitter.com/justchad_cga)

The CGA Website | Approximately 650 people are registered on the CGA website's Member section. Any grower with a Production Unit Code may request access to this section, as may registered members of the Fresh Produce Exporters Forum (FPEF). The password protected section gives information on market access, detailed inspected and shipped figures, communication with other organisations such as DAFF, PPECB and Agbiz as well as Consumer Assurance, Logistics and weekly updates on overseas markets.

Members of the Citrus Marketing Forum (CMF) who are neither export agents nor growers can gain access to this section through an annual membership fee once their application has been approved.

On the Home page of the website there are links to our Publications, Photo Gallery, Citrus Summit pages, Company information etc.

CGA Communication Tool | This in-house Communication Tool allows the CGA staff to contact any grower who is in possession of a Production Unit Code (PUC). The grower information is highly confidential and is not disclosed to any individual or company for any purpose whatsoever. There is an ongoing problem in keeping this information up to date as CGA are not always informed of changes of email address or farm ownership. We would be grateful

if you would ensure that we are aware of any changes in your contact details. If you know of new growers who have just started growing citrus and who may be unaware of the Citrus Growers Association it would be appreciated if you could forward this information to us so we can ensure that all citrus growers are informed on matters of relevance to assist with preparations towards exporting their fruit.

SA Fruit Journal | This bi-monthly Journal is distributed free of charge to all members of the Citrus Growers Association, SA Table Grapes, Fresh Produce Exporters Forum, SA Apple and Pear and SA Stone Fruit. Each company prepares articles of interest to their particular members such as research, technical, transformation, fund raising, awards, overseas visits and appointments.

Anyone wishing to advertise in this journal and be guaranteed to reach all these growers can contact sales@safi.co.za.

CGA Grower Roadshows | Late February/early March 2018 saw the ever popular Roadshows taking place country wide. Justin Chadwick led his A Team to Boland, W Cape and N Cape in the first week with Mitchell Brooke in his first year as B Team leader visiting E Cape Midlands, Sundays River Valley and Patensie. The second week the A Team visited Limpopo/Zimbabwe, Letsitele, Hoedspruit and Senwes, while the B Team travelled to Nkwalini, Swaziland/Pongola, Nelspruit and Onderberg. KZN Midlands were visited the following week.



The CGA would like to thank sponsors who helped fund the braai and drinks after each Roadshow. Mac Modal, RB/XSIT, Arysta, Kaap Agri, ABSA, Nedbank, Felco and Inteligro.

The turnout at most of the regions was indicative of the support and interest of citrus growers in the functions of the CGA, with only one or two regions being disappointing. Overall, 484 growers attended the 14 roadshows, compared to 332 in 2016.



From 12th to 14th March 2019 the CGA will be holding its 3rd CGA Citrus Summit at the Boardwalk Hotel in Port Elizabeth. Bookings will open from September 2018 on the CGA Website.

REPRESENTATION

The CGA Office Bearers on various Boards and Committees:

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

Citrus Marketing Forum: Peter Nicholson, Gabrie van Eeden, Cornel van der Merwe.

Citrus Industry Trust: Mark Fry.

RB/XSIT: Piet Smit, Jan Louis Pretorius, Dave Gerber.

CGA - Cultivar Company: Barend Vorster, George Hall.

Citrus Improvement Scheme: Jock Danckwerts, Paul Hardman.

Citrus Academy: Phillip Dempsey, Marius Bester, Cornel van der Merwe, Andrew Muller.

Finance and Risk Review Committee: Flip Smit, Mike Woodburn, Andrew Muller.

SPS/CLAM/CFSC: Vaughan Hattingh.

SHAFFE, MRL Workgroup, MRL, FSF, OFPS, FSA Harmonisation: Paul Hardman.

BI Steering Committee: Vaughan Hattingh.

Market Access Committee: Elma Carstens.

Fruit South Africa and SA Fruit Journal Boards, SHAFFE, ATF: Justin Chadwick.

Agrihub Board: John Edmonds.

CBS Disaster Management Committee: Deon Joubert (CGA), Charles Rossouw, Ben Vorster, Jock Danckwerts, Cornel van der Merwe, Piet Smit (Citrusdal), Peter Nicholson, Hannes de Waal, Fanie Meyer, Hoppie Nel, Per Noddeboe, Francois Dillman, CGA and CRI staff.

FCM Disaster Management Committee: Deon Joubert (CGA), Charles Rossouw, Jock Danckwerts, Cornel van der Merwe, Peter Nicholson, Hannes de Waal, Fanie Meyer, Hoppie Nel, Per Noddeboe, Francois Dillman, CGA and CRI staff.

CGA Grower Development Company: Andrew Muller, Juliette du Preez.

Agbiz: Justin Chadwick, Charles Rossouw, Cornel van der Merwe.

PPECB: Khaya Katoo, Martli Slabber.

Citrus Growers Development Chamber: Eric Nohamba, Bennet Malungane.



FINANCE

Robert Miller

*Financial & Business
Administration Manager*

CGA Levy

The Citrus Growers Association administers the statutory levy due on citrus exported. The 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.

Most of these functions are carried out directly by the CGA except for:

- Research and technical support services which are carried out on behalf of the CGA by Citrus Research International.
- Transformation services including Human Capital Development which are carried out by the CGA Grower Development Company and the Citrus Academy.

The 2017 season was the first season of the new four year statutory levy cycle approved by the Minister. The levy for 2017 was 68 cents per carton and R82 million was collected and used to fund the various services provided by the CGA to growers.

The statutory CGA levies for the remaining three years of the approved period are as follows:

2018 - 70 cents per 15kg carton

2019 - 72 cents per 15kg carton

2020 - 74 cents per 15kg carton

CGA BEE Status

During 2017, the Citrus Growers Association underwent its second Broad Based Black Economic Empowerment (B-BBEE) verification audit. This process resulted in the CGA receiving an improved compliant status score of level 4 (previous year - level 6) based on the Generic Scorecard under the AgriBEE sector.

The latest 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 2017 / 2018 financial year were Flip Smit (FRRC Chairman), Mike Woodburn (CGA Director KZN) and Andrew Muller (CGA Director Nelspruit)

The FRRC provides oversight and guidance to the various CGA group companies' directors 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 21 July 2017 and the 21 February 2018.



RISK MANAGEMENT

Listed below are some of the main risks to the Citrus Growers Association that were identified and their status/mitigations.

Effect of phytosanitary constraints on export volumes and associated levy income

Citrus Black spot (CBS) - EU

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. Special Envoy is engaged with various role players on this matter. Possible expansion of XSIT programme to new regions. Discussions with government taking place.

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. Position vacant at present. CRI is currently mitigating this risk through disease management department.

Socio-political constraints on export volumes and associated levy income

Land Expropriation without Compensation (EWC)

CGA is communicating and engaging frequently and extensively with industry body AGBIZ on this matter. Made submissions to Parliamentary Review Committee.

Transformation - General

CGA GDC is focused on developing black growers and industry transformation matters. Has developed good relationships with DAFF and other government departments (national and provincial). Fruit Industry Value Chain Round Table - a partnership between the fruit industry and government - has been formed. Citrus Academy continues to focus on human capital development for the industry.

Effect of BEE status on future levy approvals

CGA has obtained a level 4 BBEE certificate. New AgriBEE codes have been gazetted. 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.

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. Moving to rail is being addressed.

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. Review of internal controls policies and procedures has been conducted in 2018.

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.



LOGISTICS

Mitchell Brooke

Logistics Development Manager

Durban Reefer Container Operations Forum (DRCOF)

The CGA has continued with the Operations Forum in Durban in collaboration with Transnet Port Terminals (TPT). 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. Training sessions were conducted with Durban cold store operators to present ways to plan more effectively to ensure containers move through the port effectively.

The main areas of focus of the DRCOF was -

1. Ensure stakeholders are effectively kept up to date on Durban Container Terminal (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.
4. Make recommendations on packing days to minimize congestion.

Citrus Rail Transportation Development

Major focus was put on rail development over the past year since it is expected that an additional 8,000 road truck trips will be required by 2022 in line with growth expectations. CGA and Transnet Freight Rail (TFR) completed an assessment report to determine the number of containers that each production area could rail and areas which have sufficient volume to develop rail terminals.

The CGA and TFR also conducted a road show in the northern regions for the purpose of orientating TFR personnel and to present to producers the opportunities to rail containers. Traction of rail

transportation is developing slowly and is hindered by the fact that there are only four reefer rail sets available to the citrus industry. The CGA has identified that 10,000 containers need to be transported from the northern regions to offset the demand for 8,000 additional road truck trips in line with production growth.

The following rail terminals have been developed to transport containers from the northern region to the ports for export:-

1. Bela Bela to transport containers packed in the Marble Hall and Groblersdal areas;
2. Tzaneen to transport containers packed in Tzaneen, Letsitele and Hoedspruit areas;
3. Musina to transport containers packed from the Limpopo River area, Tshipise and Zimbabwe areas, and
4. City Deep to transport containers from the greater northern regions.

Survey of the Tare Mass of Empty Reefer Containers

On 1 July 2016 the International Maritime Organisation introduced the requirement to verify the mass of containers prior to delivery to the ports container terminals for export. The verification requires shippers to declare the tare mass of containers including the gross mass of the cargo to determine the gross mass of the container.

The CGA undertook a survey to determine the accuracy of the tare mass of reefer containers. The survey was conducted on 50 random containers weighed using verified methods. Of the 50 containers





weighed not a single container weighed the same as was declared on the container and in fact 10% of the containers weighed were more than 10% in error.

The problem that was noted is that through the requirement by the IMO, shippers could be declaring an incorrect mass as the mass of the container cannot be verified by the shipper. In some cases the survey recorded a mass discrepancy of >500kg's. There could be instances where shippers are declaring the mass of a container which exceeds the IMO 2% mass tolerance. The CGA has written to SAMSA to request the IMO to consider the risk of shippers.

Survey of the Northern Regions Transport, Cold Storage and Shipping requirements to 2020

The CGA embarked on a survey of the northern citrus production areas transport, cold storage and shipping requirements aligned to the production growth expected by 2020. In addition the survey also determined the cold storage capacity requirements should the EU require SA to implement cold treatment shipments to control the incursion of FCM.

The report highlighted that the northern region could require an additional 8,000 road truck trips per annum, 12,000 cold storage pallet slots and an additional 15,000 Feu reefer containers per annum by 2020. The report also determined that an additional 30,000 forced air cooling slots would be required in Durban at a cost of R500m to facilitate cold treatment shipments to the EU. At the current shipping rate it was determined that it would cost an additional R20 per carton to export citrus to the EU as cold treatment shipments.

Logistics Communication

Various mediums 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 and the Citrus Logistics Forum. Logistics reports are communicated to the industry on a weekly basis to identify volume flows through the main ports and highlight logistics constraints.



INFORMATION

John Edmonds
Information Manager

The Citrus Growers' Association (CGA) and Fresh Produce Exporters' Forum (FPEF) jointly fund the procurement of citrus information.

The Perishable Products Export Control Board (PPECB) supplied weekly data on volumes of citrus packed and passed for export and shipping data and customized reports are provided by AgriHub which is a not-for-profit organization funded by the CGA, FPEF and the other fruit commodity organizations. The information is also 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 Zimbabwe and Swaziland growers. The tree census data is used in compiling the Citrus Statistics booklet and is used in predicting long term production trends.

Citrus Statistics Booklet

The annual Citrus Statistics booklet provides an overview of exports, crop distribution and growth trends of the different citrus commodities.

The 2017 citrus statistics booklet was sent to all grower members of the Citrus Growers' Association of Southern Africa. 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 2017 Southern African citrus export crop estimate was assembled by the regional variety focus representatives in March 2017. Regular teleconferences were subsequently held during the season to update the crop projection and to discuss markets. The variety focus groups' updated crop projections were communicated to the industry via the CEO's weekly newsletter and minutes published on the CGA web site. The table below shows the original 2017 estimates, the actual volumes achieved, and the estimates for the 2018 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 2017 estimate was 99% accurate with the Navel Focus Group's estimate being undermined by substantial losses due to fruit-splitting, predominantly in the Eastern Cape.

The variety focus groups also give guidance to DAFF in reviewing and revising the industry fruit quality. In 2017, minor amendments were vetted by the variety focus groups before submission to DAFF to be gazetted.



Type	2017 Estimate (CGA)	2017 Actual	% Difference (Actual vs. Est.)	2018 Estimate
Valencia	50 056 049	53 951 680	7.8%	53 927 194
Navels	26 318 830	21 053 878	-19.6%	25 670 000
Grapefruit	15 669 997	15 567 199	-0.5%	16 824 847
Lemons	17 530 714	19 021 177	8.5%	20 554 000
Soft citrus	13 222 340	13 415 452	1.5%	14 749 047
Total	122 651 765	123 026 386	0.3%	131 725 088

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 supplied by Agrihub in 2017. These reports were posted on the website on a weekly basis. These reports show volumes shipped per variety, per week and market with comparisons to previous years. The 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. In the 2017/18 year the CMF met twice; in October 2017 and March 2018. The input to the CMF from the variety focus groups with respect to estimates, projections and growers' feedback was facilitated by the CGA.

Reports

During the course of the CGA Citrus Summit and subsequent Grower Meeting in March 2017, market intelligence was confirmed as a priority of the CGA while the distinctly separate issue of market engagement was debated and subsequently confirmed as being outside the scope of the Citrus Growers' Association of Southern Africa's current mandate. To guide the process of assimilating, analyzing and distributing more tactical market intelligence to growers, it was decided to form a small Market Intelligence Committee made up of the variety focus group chairmen, representatives from FPEF and CGA. Five teleconferences were held during the course of the

season where information needs and the dissemination thereof was discussed. A number of new reports were initiated, namely the Citrus Variety Update, SHAFFE graphical Snapshot and customized reports for monitoring the finer details of the regional packing activities for grapefruit and soft citrus focus groups. The CGA commissioned Dr. Hoppie Nel to compile a report investigating export growth opportunities for South African lemons and soft citrus as part of a process to identify the potential areas for growth in global sales of these commodities. The report was reviewed by the Citrus Market Intelligence Committee and aspects used for an article published in the South African Fruit Journal on global trade trends in soft citrus and lemons and the implications for southern Africa. The Global Citrus Scan, a one page summary of citrus news items gleaned from the media was compiled and posted on the CGA website on a weekly basis.

International Information Exchange

Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE):

The major southern hemisphere fresh citrus exporting countries participate in a joint initiative whereby members supplied information of shipped by volume and destination to the SHAFFE secretariat that collated and supplied this information to the participating SHAFFE members. The weekly information was published on the CGA website and used in the Citrus Variety Update and other reports.



VARIETY FOCUS GROUPS

The variety focus group set the initial season's estimate for exports, monitor the packed and shipped information provided by the service providers, discuss market conditions and update export predictions during the course of the season. The information from these variety focus groups is distributed in minutes of meetings made available on the CGA web site and summarized in the CEO's weekly newsletter. The variety focus groups are also called upon from time to time to

give opinion on dispensation requests referred to them by DAFF. The variety focus groups met regularly during the season 2017/18 season with the CGA Information Manager convening the meetings and acting as secretariat. The Citrus Growers' Association of Southern Africa extends its appreciation 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 2018 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 Midlands		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	A. Muller		A.J. Esser
Swaziland	G. Brown			S. Geldenhuys	
Letsitele	J.L. Pretorius			J.L. Pretorius*	A.Cooper
Hoedspruit	F. Meyer		G.Be Zuidenhout	K. van Staden	
Orange River	A.Spangenberg			L. van Zyl	M. Bester
Limpopo River	K. Smit		K. Smit	F. Dillman	
Senwes	M. vd Heever	H. Schoeman	P. Pullinger		I. Upton

* Chairman

During 2017/18 the Navel Focus Group and Valencia Focus Group chose to have joint teleconferences during the season. The following meetings were held by the focus groups:

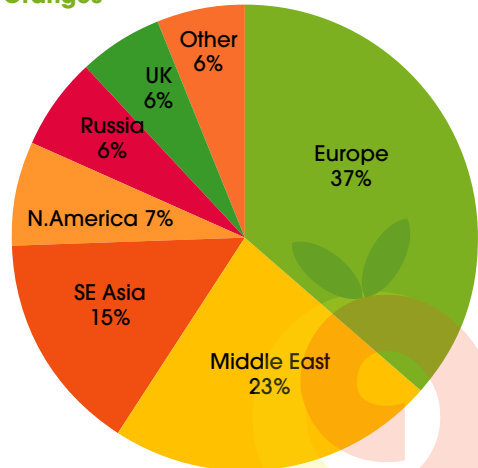


Month	Grapefruit	Oranges	Lemon	Soft Citrus	Total
January				1	1
March	1	1	1	2	5
April				1	1
May	2	1	1	1	5
June	2	2	1	1	6
July	1	1		1	3
August		1	1	1	3
September		1			1
Total	6	7	4	8	25

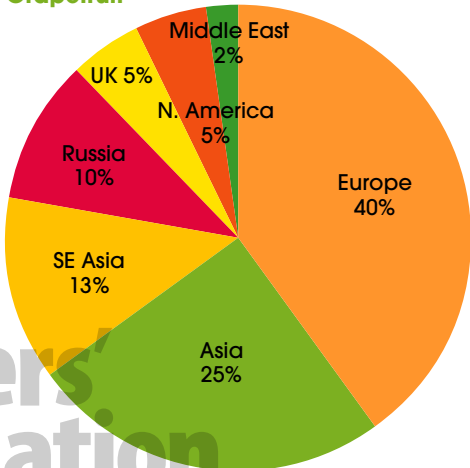
EXPORTS 2017

Source: Agrihub

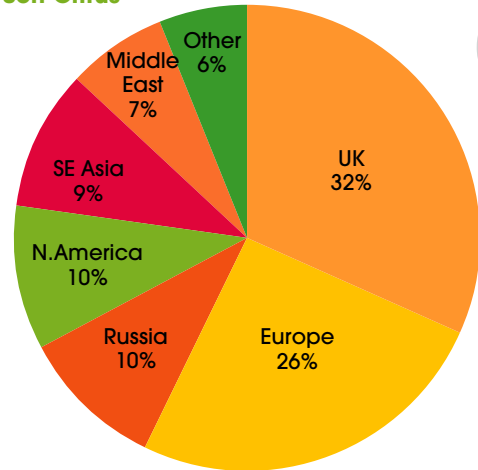
Oranges



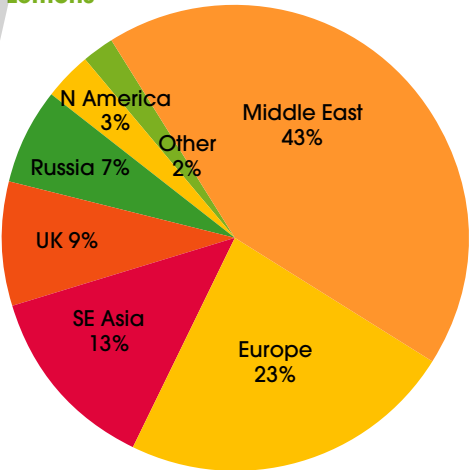
Grapefruit



Soft Citrus



Lemons



Citrus Growers' Association
OF SOUTHERN AFRICA

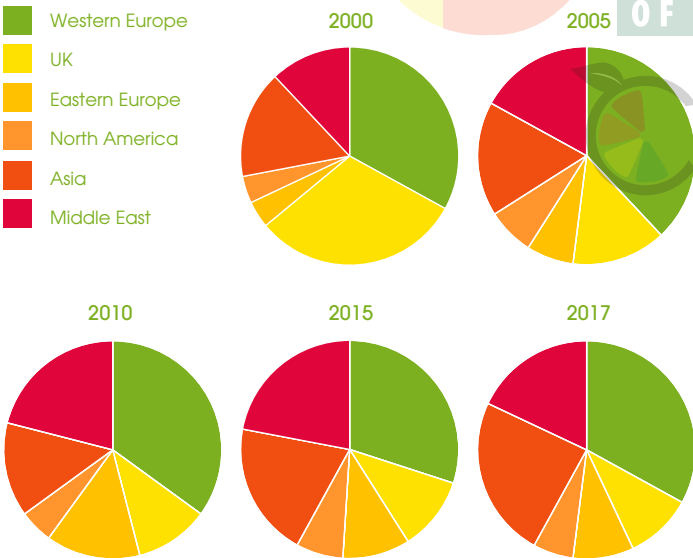


MARKET ACCESS

Justin Chadwick, Elma Carstens and Vaughan Hattingh

Statistics

In the year 2000 over 60% of southern Africa's citrus exports were destined for Western Europe or United Kingdom. As export volumes grew, the industry and government focused on gaining access to new markets. This has resulted in a more diversified distribution of southern African citrus across the globe. Western Europe and UK accounted for just over 40% of 2017 export volumes. A lot of emphasis has been put into developing Asian markets, growing from 16% market share in 2000 to almost 25% in 2017. The Middle East has shown continuous growth, from 12% in 2000 to approximately 20% in 2017. North American volumes have remained constant over the period, at between 4 and 7% of total export volumes. Eastern European exports rose from 4% in 2000, to a high of 14% in 2010, but in 2017 this had reduced to 9%, largely because of the Russian economic situation.

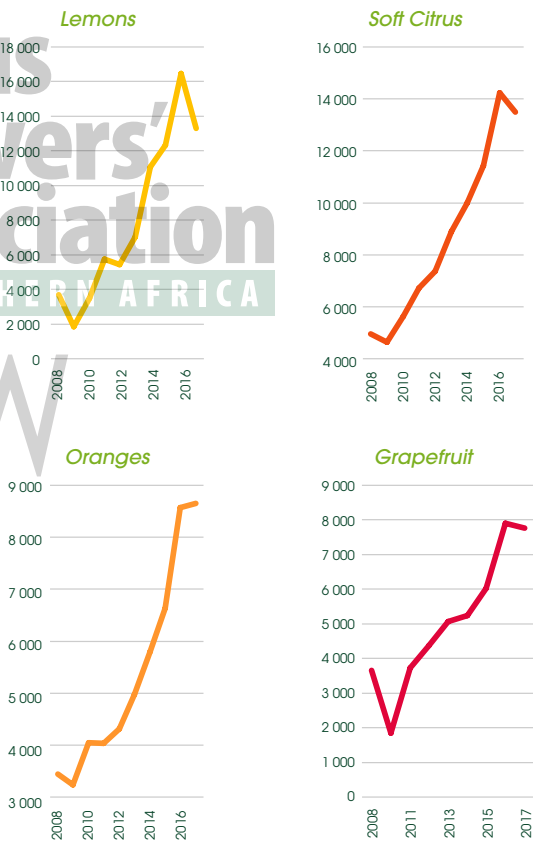


Returns

Since 2009, all citrus sectors have shown favourable returns on export product. In 2017, the trend changed, with all but oranges realising a decrease in returns, while the return for oranges was marginally improved. The most dramatic turnaround was for lemons, while grapefruit exhibited a lesser decrease.

Despite these decreases in returns, the total export earnings showed an increase from R16.2 billion in 2016, to R17.7 billion in 2017. Increased volumes offset the lower returns.

Average Export Values 2017 (R/Ton)



PHILIPPINES

SA-DAFF sent a letter, extending an invitation to the technical experts from Bureau of Plant Industry (BPI) of the Philippines to visit SA to discuss the remaining issues of concern on 10 April 2017.

In June 2017, SA-DAFF received feedback from the Bureau of Plant Industry (BPI) of the Philippines. In the letter, the BPI indicated that they are of the opinion that a follow up visit to South Africa is not needed to finalise the import protocol. They also informed SA-DAFF that the five remaining pests should remain on the quarantine pest list.

In feedback provided to SA-DAFF in September 2017, CRI provided additional information to show that the rationale of the BPI in keeping the five pests on the list is not technically justified and not in line with International Standards for Phytosanitary Measures.

In September 2017, CGA prepared a briefing paper on market access to Philippines for Ambassador Slabber (South African Embassy in Manila) and Agricultural Attaché Kelembe.

CGA accompanied a Fruit South Africa delegation visiting Manila from 4 to 6 October 2017. The main objectives of this visit were to follow up on the 2014, 2015 and 2016 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. The visit to the BPI lead to a proposal for a technical bilateral meeting between SA-DAFF and BPI, but the proposal was not adopted by SA-DAFF.

In September 2017 and October 2017 meetings took place between CRI and SA-DAFF, and in December 2017 SA-DAFF submitted feedback to the BPI. Further information was provided to demonstrate that four (4) of the five (5) pests are not associated with citrus fruit or are not recorded pests of Citrus or Citrus in South Africa. Although the latest scientific information available indicated that one of the pests, *Aspidiotus nerii*, has never been found on citrus fruit in commercial South African citrus orchards (last record of the pest in South Africa

was in 1997 on branches of lemon trees in a home garden), SA-DAFF indicated that the listing of this pest as a quarantine pest with a low risk rating will be accepted, until such time as the results of a survey may provide further evidence for removal from the list.

In feedback dated, 22 January 2018, the BPI indicated that they agreed to remove three of the five remaining pests from the quarantine list. The BPI accepted the listing of *A. nerii* as a low risk pest pending the result of the scientific survey to be conducted in commercial orchards. Despite all the scientific information provided, the BPI did not remove *Ceratitis quinaria* from the list. They justified their decision by referring to the pest currently being listed by another trading partner as a quarantine pest.

Meetings were held with SA-DAFF and on 26 February 2018, SA-DAFF submitted feedback to the BPI. In the feedback it was indicated that the pest list of the other trading partner was finalised before the new information indicating that Citrus is not a host was available. This new information was only published in 2016. Feedback is pending from the BPI.

Volumes - There were no exports to Philippines in 2017.



INDIA

Cold treatment protocol for citrus shipments - In 2016 India changed their import regulations and no longer required an import permit. Consignments were previously shipped to India (since 2005), according to treatment conditions for Medfly and Natal fruit fly that entailed Methyl Bromide fumigation or cold treatment, but the import conditions only provided for land based cold treatment. In 2005 SA-DAFF obtained confirmation from the Indian Authorities that SA can make use of in transit cold treatment.

At the end of the 2016 citrus export season, Indian authorities started to enforce the published conditions, requiring land based cold treatment. Information was provided to SA-DAFF to communicate to the Indian authorities requesting that both options of land based and in transit cold treatments be allowed.

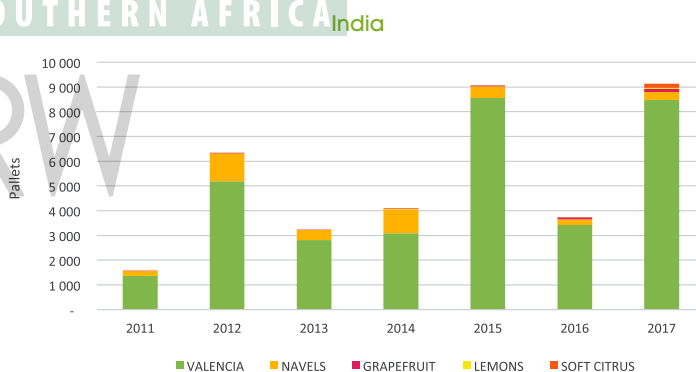
Meetings took place in January and February between SA-DAFF, PPECB, Deciduous fruit exporters, HORTGRO, CRI and Mr Mkhululi Mankazana (Minister Counsellor: Agricultural Affairs, India) to discuss the inclusion of in transit cold treatment as an option to mitigate the risk of fruit flies in all crops 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.

Although no report was received from the Indian Authorities on the trial shipment, discussions were held during a FRUIT SA visit to India and it was indicated that trial shipments of citrus will be required. Several meetings were held with role players to ensure that all understood the procedures to follow. Five containers were shipped to India from Durban with EDA 4 July 2017.

The trial shipment of citrus fruit arrived in India and was cleared. To date, SA-DAFF is still awaiting a report from India on the trial shipments. During a bilateral meeting in August 2017 in Cape Town, it was indicated that SA has to send two additional trial shipments per commodity (2 additional replicates of citrus trial shipments - they did not specify citrus types), to demonstrate our capability to conduct in-transit cold treatment for fruit flies. Due to unavailability of citrus fruit at the time, plans were made to send the two additional citrus trial shipments early in the 2018 export season.

Fruit South Africa Delegation - At Fresh Produce India, the Fruit South Africa booth was highly visible due to a good location and eye-catching graphics. The size of the booth was functional and provided value for money. The FPEF CEO and the CGA's Industry Affairs manager did presentations on the South African industry; with specific reference to opportunities beyond pome fruit.

Volumes - Export volumes in 2017 returned to 2015 levels, although still very low given the huge potential of the Indian market. The market is predominantly for Valencia oranges.



VIETNAM

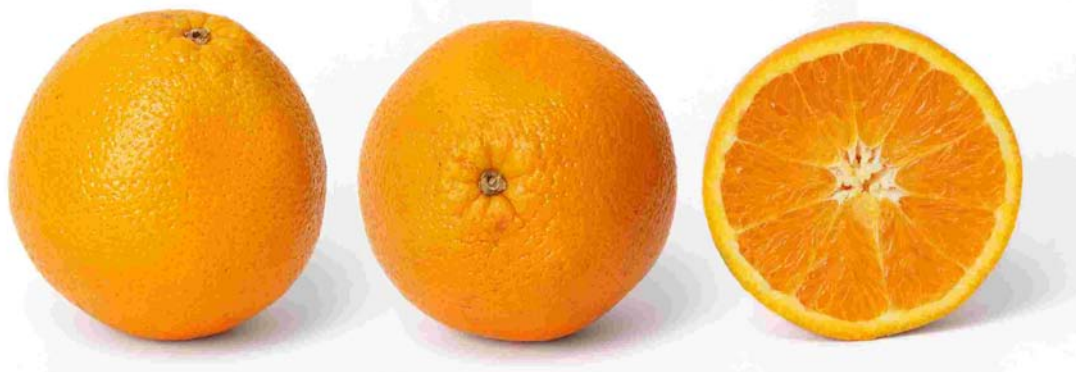
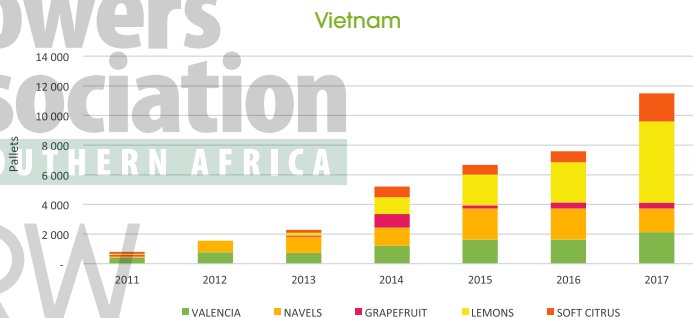
On 12 April 2017 feedback was received from Vietnam. The Vietnamese Authorities responded by accepting the T107-e cold treatment (22 days) as the mitigation measure for FCM and the two fruit flies. They however did not respond positively to the concerns raised by SA-DAFF about the pre and post-harvest management procedures in the draft protocol. There was no response to SA-DAFF's invitation to visit the South African citrus industry. SA-DAFF submitted feedback to the Vietnamese Authorities on 26 May 2017, again highlighted the reasons why SA cannot comply with some of the pre and post-harvest management procedures.

During a visit by a delegation from Fruit SA (which included representation from CGA) on 11 to 13 September, the Vietnamese authorities indicated that they had not received the feedback and the invitation for a visit that was sent by SA-DAFF on 26 May 2017. On 29 September 2017 the relevant information and an invitation was resent to the Vietnamese authorities and the SA Embassy in Vietnam. The authorities acknowledged receipt and indicated that they will revert to SA-DAFF.

A response from the PPD was received on 10 January 2018. The PPD still insisted on the listing of the two pests (*A. nerii* and *P. syringae* pv *syringae*), the pre-harvest pest management procedures for *P. syringae* pv *syringae* and the sorting practices in the packhouse. They requested

that the new research on FCM should be made available to the PPD for consideration. Meetings were held between CRI and SA-DAFF and feedback was submitted to the PPD on 14 March 2018. In the feedback SA-DAFF indicated that the listing of *A. nerii* as a quarantine pest with a low risk rating will be accepted, pending a scientific survey to provide further support that the pest is not present in commercial citrus orchards. The latest scientific articles by Moore et al. on an improved cold treatment for FCM and information on the sorting and inspection procedures in place for citrus exports to other trading partners were provided. Further scientific evidence to support the removal of *P. syringae* pv *syringae* as a quarantine pest was also included. Feedback is pending from the PPD.

Volumes - Exports to Vietnam increased 50% in 2017 - reaching almost 12 000 tons. The predominant citrus is lemons, although the entire citrus basket is included.



CHINA

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 August 2017, SA-DAFF received feedback from AQSIQ who accepted that lemons are not a host of FCM. They however indicated that further scientific evidence was required in order to accept that lemons are not a host of fruit flies. They requested that SA-DAFF submit data of the experimental work conducted based on the requirements of the relevant ISPM (ISPM 37 - Determination of host status of fruit to fruit flies (Tephritidae)).

CRI consolidated relevant research results into a scientific paper that was submitted for publication. The paper has been reviewed and accepted for publication in a scientific journal. CRI submitted a draft response to SA-DAFF on 14 November 2017.

The response included a scientific publication demonstrating that lemons are not a host for fruit flies. The research was conducted according to the IPPC guidelines as included in ISPM 37 and as requested by AQSIQ. An additional verification step was included in the study and therefore exceeds the requirements contained in ISPM 37. The SA response includes a proposal to send trial shipments during the 2018 export season.



In February 2018 further meetings were held between CRI and SA-DAFF to discuss the results of the experimental work done in the USA and South Africa pertaining to the host status of lemons for fruit flies. SA-DAFF submitted the latest information to AQSIQ on 28 February 2018. Feedback is pending from AQSIQ.

Acceptance of break bulk shipments - 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. CRI and PPECB prepared and submitted (11 April 2017) a proposed response to SA-DAFF. SA-DAFF submitted the requested information to AQSIQ on 13 April 2017. On 19 September 2017, SA-DAFF received feedback from AQSIQ who indicated that they are concerned about the number of temperature sensors as they are of the opinion that more sensors are needed to prove effective monitoring of the cold treatment in vessels.

Meetings were held between CRI and PPECB and a draft response was submitted to SA-DAFF on 22 November 2017. In the response, a detailed explanation is given about the number of sensors per m³ within a vessel. The detail of a USDA approved vessel was used (South Africa only uses USDA approved vessels for bulk shipments of citrus fruit to trading partners requesting a cold treatment disinfestation for quarantine pests) - a plan of the deck was included (detailing the number of fruit sensors per independent deck and/or common cooling space) together with a table indicating the minimum number of sensors required per specific deck and/or cooling space. According to this information, the vessels that will be used for the shipment of fresh citrus fruit from South Africa to China will be equipped with as many or more temperature sensors than the USDA specification (these specifications are used internationally as the benchmark for temperature monitoring in fresh produce shipping).

SA-DAFF submitted the latest information to AQSIQ on 23 February 2018. Feedback is pending.

Fruit South Africa visit to Beijing - A Fruit South Africa delegation (including CGA) visited China in early November 2017. 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 2017, meet with importers to share market related information about fruit availability and also report on progress in regard to market access.

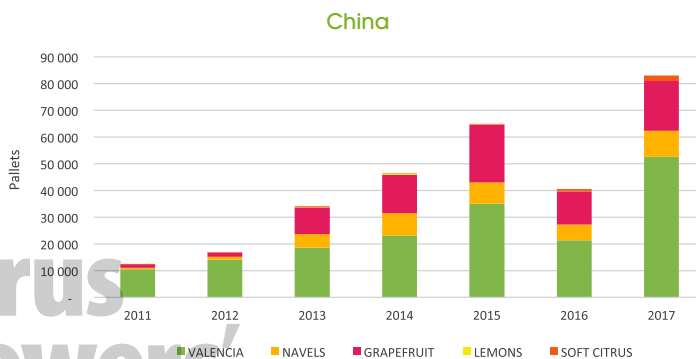
The FSA delegation also engaged our Embassy on current challenges experienced in regard to market access and also get inputs from them on how the industry's objective could be achieved.

CGA used the opportunity to meet with bulk reefer terminal operators from Shanghai in order to brief them, and get an idea of their readiness and experience with break bulk shipments. The visit also offered an opportunity to visit one of China's largest on-line retailers - JD.COM.

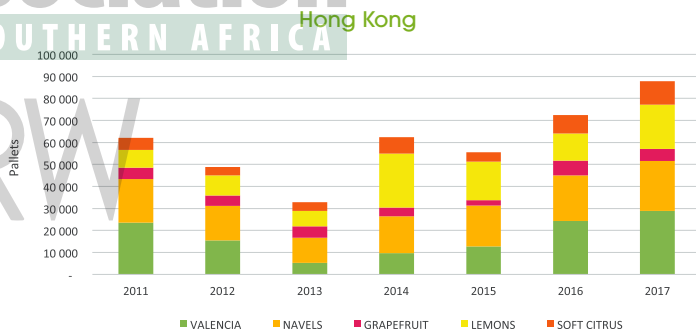
Bilateral workshop/meeting between SA-DAFF and AQSIQ - SA-DAFF did send a request to AQSIQ for a bilateral meeting to discuss the outstanding matters. AQSIQ however indicated that a visit in 2017 will not be possible and requested a date in 2018. The South African Government is in the process of finding a suitable date for the meeting.

Zimbabwe access to China - During June and July 2017 CGA and CRI assisted Zimbabwe with a response to China AQSIQ.

Volumes - Export volumes into China continued on its growth path - now surpassing 80 000 tons. It is interesting to note that South Africa gained access to China in 2004 - in the seven years to 2011 export volumes gradually increased to 10 000 tons. In the seven years from 2010 to 2017 export volumes grew by 70 000 tons.



Export volumes into Hong Kong also continued to increase - now closing in on 90 000 tons.



JAPAN

Access for soft citrus (mandarins) - The request for inclusion of all mandarin cultivars remains outstanding, now pending a technically justifiable response from Japan-MAFF for eight and a half years in total and three and a half years without a response to SA's re-submission of data. SA-DAFF and Industry made several follow up queries over the eight years, but a response is still pending from Japan-MAFF.

Adoption of a revised cold treatment condition for the export of fruit of all citrus types - The initial request to revise the temperature protocol was submitted in 2009 and the final revised data package to support this request was submitted in 2014, indicating that the matter has been on the table for nine years and a response on the latest SA submission has been pending from Japan-MAFF for three and a half years.

On 10 January 2018 communication received from Japan-MAFF indicated that they would evaluate the data package provided by South Africa in 2014 (refer to “Cold treatment for *Bactrocera dorsalis*” for details).

Amend current bilateral protocol to include all Navel oranges from SA - A meeting between FSA and Japan-MAFF resulted in communication from the SA Agricultural attaché in Japan to Japan-MAFF, requesting confirmation that Navelates can be exported. A response from Japan-MAFF on 14 December 2017 indicated that Navelates are accepted. However, the official request made by SA-DAFF to allow all navel oranges remains pending since September 2016.

Fruit South Africa delegation visit to Tokyo - A Fruit South Africa delegation (including CGA) visited Japan during November 2017. The delegation met with Japan MAFF where the latest information on *B. dorsalis* (see below) was discussed. MAFF indicated that they deal with one commodity at a time - whether this as a new access application, or changes to present access conditions (a process not followed by other countries who deal with new access applications separate from access maintenance). It was at this meeting that the Navelate decision was confirmed (see above).

The delegation met with PISA - an Association representing 140 importers and exporters. There was an agreement that information would be exchanged, and that the importers would assist with access issues.

Twenty seven import companies attended a seminar hosted by Fruit SA with the support of the South African Embassy in Japan. Ambassador Dlomo opened the seminar. Presentations about the SA fruit industry were made by all the associations including the PPECB.

Cold treatment for *Bactrocera dorsalis* (Bd) - On 1 November 2017, SA-DAFF received a letter from Japan-MAFF in which it was stated "However, it would become impossible to continue the importation of the South African fresh fruits products with the current conditions on the protocols, if it is not possible to confirm that the current disinfestation conditions by cold treatments would be valid enough towards *Bactrocera invadens*". CRI provided inputs to SA-DAFF on 12 November 2017. SA-DAFF provided feedback to Japan-MAFF on 22 December 2017. The feedback included detail about the distribution of *B. dorsalis* in South Africa and indicated that the solution potentially lies in Japan accepting the revised time-temperature protocol for citrus that has been pending a response from Japan-MAFF for three and a half years, since the temperature in such a revised protocol has been validated as effective for *B. dorsalis*.



In communication received on 1 February 2018, Japan-MAFF indicated that the request to amend the cold treatment to 1.4°C or lower for 16 days would not address their concerns about *B. dorsalis* and urged SA to prioritise their requested trial work on *B. dorsalis* cold tolerance, to avoid disruption to the SA citrus exports to Japan. On 14 February 2018, a meeting was held with SA-DAFF to discuss the situation. CRI provided a proposal to DAFF on 21 February 2018 and SA-DAFF submitted a response to Japan-MAFF on 28 February 2018.

The response included arguments as to why there would be no technical justification for disrupting citrus exports to Japan and an undertaking that the *B. dorsalis* trial work, called for by Japan-MAFF, will be conducted, with an anticipated completion date of end March 2018. On 29 March 2018, SA-DAFF requested the SA Attaché in Japan to inform Japan-MAFF that SA is the process of finalising the report on the trials conducted. On 29 March 2018, CRI supplied SA-DAFF with two reports on the trials conducted to compare the cold tolerance of *B. dorsalis* and *C. capitata*. The results confirmed that Medfly (*C. capitata*) cold treatments can be used for disinfestation of *B. dorsalis*.

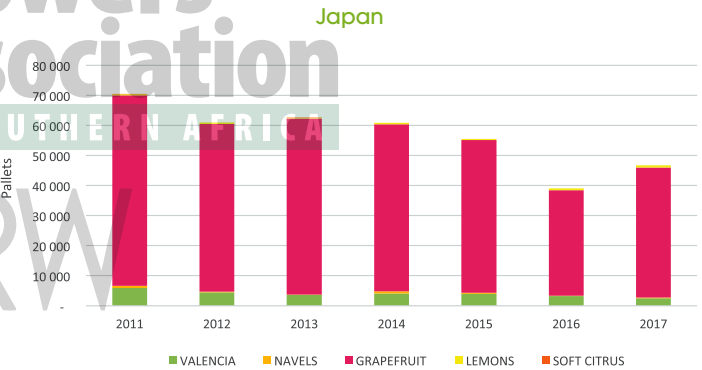
Bilateral workshop/meeting between SA-DAFF and Japan-MAFF

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

Market Development - The South African Embassy in Tokyo - through the initiative of Agricultural Attache Kelembe - organised a function to mark the start of the South African grapefruit season in Japan. Fruit was kindly donated by Komati Fruit, while the Ambassador and Attache addressed the gathered dignitaries.

Volumes - Although there was a recovery from the low supply that affected 2016 volumes, exports at less than 50 000 tons are way below the levels achieved in 2011 (70 000 tons).

Grapefruit dominates the citrus basket to Japan.

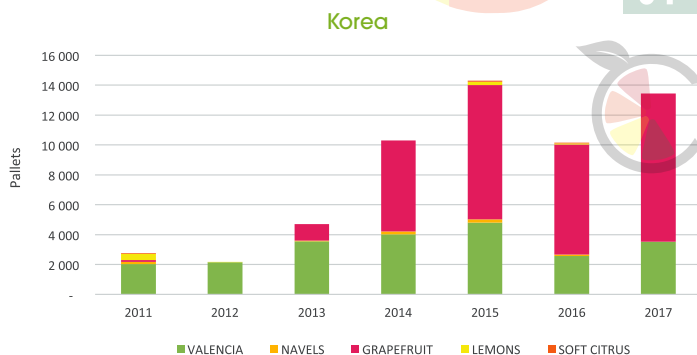


SOUTH KOREA

Fruit South Africa delegation - During November a Fruit SA delegation (including CGA) visited South Korea. Importers expressed their interest in South African grapefruit - commenting that it was of high quality. They plan to grow imports in the future. The plant health authorities expressed general satisfaction with the programme. They commented that although rejections were low, the past year's level halted the general downward trend. Discussion regarding additional inspectors was favourably received.

Market Development - One of the retailers visited during November made contact with CGA and FPEF, and proposed a promotion campaign for the 2018 grapefruit season. This suggestion has been communicated to the Grapefruit Focus Group, and will be taken up between them and FPEF.

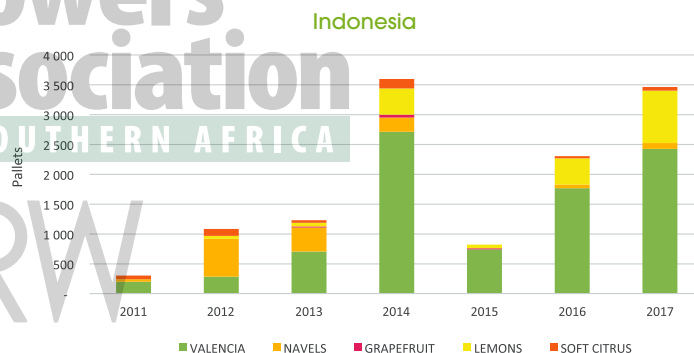
Volumes - Export volumes (predominantly grapefruit) recovered in 2017, although still off the 2015 high. Volumes are around the 14 000 ton level.



INDONESIA

A Fruit SA and PPECB delegation (including CGA) met with Indonesian importers in Hong Kong (at Asia Fruit Logistica). A planned trip to Jakarta was cancelled due to non availability of officials. For some time now importers have said that DAFF is misreading the temperature protocol. They have agreed - with PPECB and an exporter from South Africa - that one container will be shipped at the importers interpreted protocol. The importer will take all risks associated with clearance by authorities in Jakarta. The importers confirmed that there is good potential for growth of citrus exports into Indonesia.

Volumes - Advantages due to better entry conditions as a result of mutual country recognition (MCR), which includes direct shipping into Jakarta and less onerous food safety certification, meant a return to growth in the Indonesian market. These are still small volumes - with much upside potential.



UNITED STATES OF AMERICA

Background (2013 - 2017) - The outstanding issues are (1) the equivalence between USA domestic CBS regulations and USA import regulations (access to USA for all SA citrus production areas), (2) expansion of CBS pest free areas to include the whole of the W Cape in the work plan and (3) adoption of CBS pest free places of production in the area of low pest prevalence (Far Northern Limpopo). In January 2017 President Trump gave instruction that all Federal regulations that have not been sent for publishing in the Federal Register are to be reviewed. SA-DAFF followed up with USDA-APHIS in May 2017 on all the outstanding issues and the USDA-APHIS informed SA-DAFF that they would communicate as soon as there are any new developments. SA-DAFF did follow up again with USDA-APHIS in August 2017 on all the outstanding matters and invited them for a bilateral meeting in October 2017 in South Africa. The USDA-APHIS again informed SA-DAFF that all the issues are receiving attention and that they will update them as soon as information becomes available. USDA-APHIS also indicated that they are not available to undertake a visit to South Africa but they suggested a Digital Video Conference (DVC) in November 2017. The DVC took place and the outstanding issues had been discussed. SA-DAFF did send an invitation to USDA-APHIS for a bilateral meeting to take place in April 2018 but USDA-APHIS requested alternative dates in May 2018.

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 bilateral meetings between SA-DAFF and USDA-APHIS since November 2013. USDA-APHIS again indicated during the DVC in November 2017 that they are evaluating the data and will communicate the outcome to SA-DAFF.

Equivalence between USA domestic CBS regulations and USA import regulations - access for fruit from the rest of South Africa - USDA-APHIS acknowledged receipt of all the relevant information pertaining to the expected volumes to be exported and the chemicals used in the packhouse treatments. USDA-APHIS requested further information



on the production units and packhouses that will take part in the programme and information on the ports to be used to enable them to make logistical arrangements. They also indicated that hopefully exports from CBS areas can be finalised during the next bilateral meeting in South Africa in 2018.

A workshop took place between CGA, CRI, SA-DAFF and PPECB on 14 February 2018. The implications and challenges for exports from the non CBS free areas were discussed. SA-DAFF sent a questionnaire to all producers and packhouses who provisionally registered for this market to indicate whether they can comply with all the requirements pertaining to this market. SA-DAFF submitted the requested information about the production units and packhouses that will take part in the programme and which ports are going to be used to USDA-APHIS on 26 March 2018. Feedback is pending from USDA-APHIS.



Bruce McEvoy

CGA Representative in USA - For a number of years CGA has been fortunate in having Bruce McEvoy as their representative in the USA. Bruce is a well respected leader in the citrus industry in the US, and has a wide network of contacts in industry, government and advocacy groupings. Unfortunately, Bruce has taken a well earned retirement, and has tendered his resignation. CGA is in the process of finding a suitable replacement.

During his tenure, Bruce presented a monthly report which kept CGA members up to date on all aspects of South African citrus exports to the USA - as well as wider political events that impacted on this access.

South African Embassy in Washington - In November 2017, the Agricultural Attache's term in the USA was completed. Vangile Titi-Msumza had been a staunch supporter of citrus industry issues in the USA - this support has been continued with the appointment of Jenetha Mahlangu in February 2018. In addition, Ambassador Mahlangu has taken up the citrus issues at the highest levels in the US. During October 2017, CGA spent considerable time briefing the Ambassador.

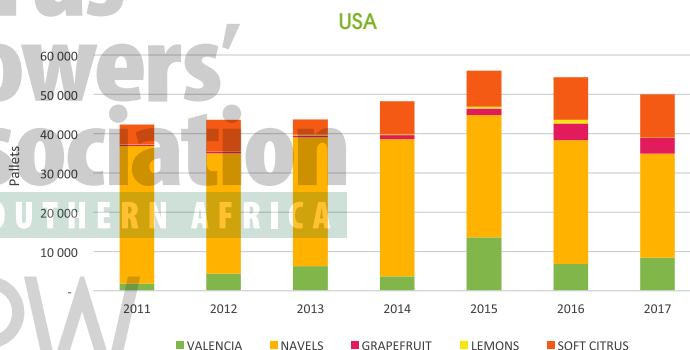
Swaziland - CGA assisted the US Embassy in Pretoria with a visit to citrus orchards in Swaziland with CRI assisting Swaziland with access procedures and Pest Risk Assessment.

Market research - The Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE) started discussions on updating the 2010 study on summer citrus demand in the USA. By year end these discussions were advanced, with research likely to take place in 2018.

CGA visit to USA - CGA visited Washington from 16-17 and 23-25 October 2017, and PMA in New Orleans from 18-23 October 2017. In preparation briefing notes were sent to the Ambassador and Trade Councillor at the South African Embassy in Washington. While in Washington the CGA delegation met with the Heritage Foundation, Corporate Council for Africa, United States Trade Representative

(USTR) and USDA APHIS. At all these engagements, access from additional regions in South Africa and promotion of exports from South Africa were discussed. It was acknowledged that all technical aspects of the wider access had been covered, and that the final rule should be published in the near future. Ambassador Mahlangu attended the PMA Fresh Summit in New Orleans, which gave the CGA delegation an opportunity to fully brief him on South African citrus exports to the USA. In addition, CGA representatives met with many importers at the Fresh Summit. There is a view that wider access will increase exports from South Africa to the USA.

Volumes - Export volumes to the USA seem to have settled at around the 50 000 ton level. Navels dominate the citrus basket, although the volumes of grapefruit and soft citrus are showing an increase.



RUSSIA

Labelling - Unfortunately, the issue of labelling each carton with required information continues to be a problem. Although some solutions have been proposed, of which some have been accepted - the requirement remains problematic.

Additional Declarations on Phytosanitary Certificates - Changes required by Russian Authorities were adequately addressed by SA DAFF and industry, with no disruption to exports. The CGA representative played an important role in this process.

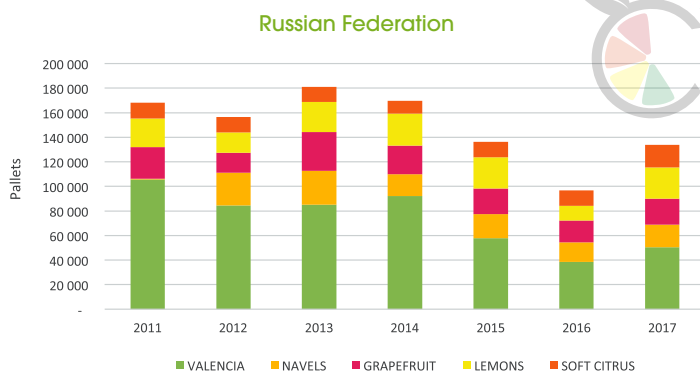


Mikhail Fateev

CGA Representative in Russia - During the year under review, Mikhail Fateev continued to represent southern African citrus interests in Russia. Apart from taking up the different issues facing the industry, Mikhail provided an informative weekly newsletter. This newsletter was distributed to the Russian Interest Group.

Volume - Export volumes in 2017 (at almost 140 000 tons) returned to 2015 levels, but still

way below those achieved in 2013 (180 000 tons). The full basket of South African citrus is exported to Russia.



MYANMAR

Background - In 2017 exporters were informed that plant and plant products can no longer be exported to Myanmar as the NPPO of Myanmar had indicated that they wanted a Pest Information Package (PIP) for all citrus types to conduct a PRA to determine which pests are of quarantine concern to Myanmar. At the CMF in March 2017 the producers indicated that it is an important market. CRI provided the completed PIP to SA-DAFF on 27 March 2017 and the information was submitted to the Myanmar authorities and the SA Ambassador in Bangkok on 29 March 2017.

In April 2017 SA-DAFF requested permission from the Myanmar Authorities to proceed with exports while the authorities are completing the PRA process. In June 2017 feedback was received from the Myanmar authorities indicating that SA can continue with exports, while the PRA is being conducted.

Feedback on the PRA is pending from Myanmar.



EUROPEAN UNION

Deon Joubert

Changes were aplenty during the past year if one considers the SA citrus playing field with regard to Plant Health Market Access of Europe.

Brexit talks, without much progress, dominated the Brussels' agendas and for SA it brought a varied range of possible outcomes to the table. From total free access to the UK for SA citrus without the stranglehold of CBS and FCM, to a retention of the status quo. As with most, the final position will probably be somewhere in the middle, but the talks have stalled too often to actually indicate a possible definitive direction to allow any contingency plans.

However the dominant force shaping the SA citrus landscape came with the new sweeping amendment "Implementing Directive (EU) 2017/1279" on the old Directive 2000/29/EC. This listed certain harmful organisms that may be targeted by specific control measures and came into force 1 January 2018. This rang the bell to introduce FCM to the already crowded Plant Health landscape.

Seven visits were undertaken to Europe during the past year and one included a contingent of CGA Board members and senior role players of our Industry.

It was a difficult year and SA had to defend the wording and implication of Implementing Directive 1289 against prescriptive "cold steri" on FCM, which would have all but scuttled the SA market access. The high level of serious political interference was unabated but eventually after a huge amount of interaction and assistance from friendly forces on the Plant Health Standing Committee, the words "or any other effective treatment" were added to the EU text. This allowed the CRI systems approach which was developed over the past ten years to become the SA position.

What is abundantly clear is that science no longer rules decision making in the Standing Committee on Plant Health, but it is politically voted on. So political views and the subsequent votes rule everything in Brussels, not scientific facts. Science will be used if it supports the desired outcome, but will be voted down if it's not. This is of course contrary to the spirit of the WTO SPS agreement, is not good for trade and should be opposed by all pro-trade interest groups.

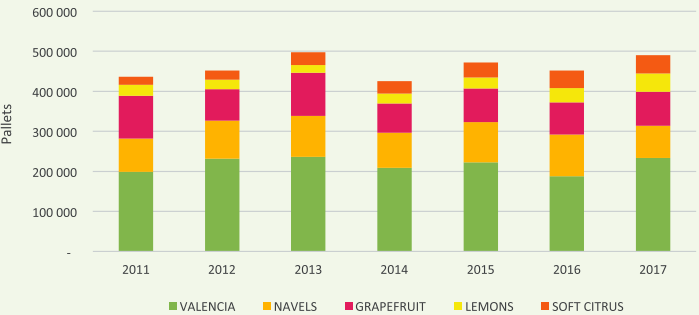
The current scenario facing SA citrus to battle the challenge of both CBS and FCM on the EU quarantine list, is going to be extremely difficult or impossible.

So it is important to develop all strategies to assist continued market access for South African citrus to Europe.

An example is the project on "clean corridors" that we have started, to demonstrate that South African citrus is already massively EU compliant, with a 99.88% CBS pass rate over the just completed 2017 season, but still faced with a barrage of unhappy EU Administrators.

Hopefully with the current work undertaken we may be successful in showing the majority of established supply corridors of SA citrus to EU receivers guarantees zero risk to Europe. This may reduce current compliance controls and align with world tendencies and politics supporting the reduction of chemicals on fruit.

European Union





CONSUMER ASSURANCE

Paul Hardman
Industry Affairs Manager

Each season brings with it new challenges and opportunities and the 2017/2018 Consumer Assurance aspects had both, although on reflection the challenges seem to outweigh the opportunities. This report covers the most important events of 2017/2018.

Middle East Food Safety Developments

The Middle East (ME) is a major receiver of southern African citrus, particularly lemons. For the first time the ME, as an entire trading bloc, recorded and communicated an official exceedance of the Plant Protection Product (PPP) residue tolerance. Unfortunately this isolated incident in Saudi Arabia had a huge knock-on effect and resulted in DAFF introducing measures that CGA believed were disproportional to the risk to the ME consumer. The actual MRL exceedance did not pose a serious risk to human health and that implicated fruit was duly withdrawn from the market. The reaction from DAFF was to introduce a Standard Operating Procedure (SOP) to compel exporters to subject each and every consignment to residue testing. This measure was not practical, feasible or, as feedback from the markets suggested, required. Since fruit is consigned to the ME and not specifically Saudi Arabia all ME fruit became implicated, with massive costs and logistics problems became a reality.

CGA engaged DAFF from March until a solution was found in June in the form of a revised SOP. The solution included ongoing residue testing on fruit going to

Saudi Arabia and appropriate reporting introduced to demonstrate compliance with the Saudi Arabia MRL requirements.

Thus the overall impact on trade and the costs in the supply chain was limited, however these events did signal an increase in residue monitoring by the ME countries, and DAFF's keenness to introduce measures to "protect" the SA citrus industry. Fortunately, no further exceedances for Saudi Arabia were recorded in the 2017 export season.

These events were then followed up by rejections of some containers in Oman, but with a more sinister element where the containers were held and not released back to the exporters. This is not general practice and suggested alternative motives behind these decisions other than food safety reasons. The Fresh Producer Exporters Forum (FPEF) coordinated efforts with DAFF and CGA to have these containers successfully released.

The use of the Gulf State Organization (GSO) Standards for PPP MRLs by ME countries was also brought into sharp focus in these instances as there was an apparent gap in what had been notified via the WTO processes and what was understood to be the MRLs actually in operation. This uncertainty has been addressed but subject to ongoing discussions with DAFF as the situation may change at any stage.

Plant Protection Product Issues and Progress

A summary of the key development highlights on PPPs follows here, ranked from high to low in terms of possible long-term impact on the citrus industry:

- **EU Endocrine Disruptor Policy**

Over the last decade the EU have communicated to trading partners their intention to apply food safety legislation regarding endocrine disruptor considerations



(endocrine disruptors are those substances that potentially interact with/influence the hormone system). This regulatory process has been somewhat delayed and frustrated by internal (EU) discussion about the endocrine disruptor definition and the appropriate ways to apply the existing legislation. The discussions were ultimately brought to a head in December 2017 when EU member states agreed to the wording that could be adopted as EU policy on the matter. The implication for RSA citrus producers is that some actives used for phytosanitary pest control and post-harvest treatments may have their MRLs reduced to limit of detection, effectively precluding their use. This will have significant implication for RSA citrus producers to be able to control key pests of phytosanitary importance and deliver high quality fruit to the market. Each active ingredient and MRL will be reviewed in turn over the next several years and the outcome of that process will determine the MRL's future status.

- **Dichlorprop-P EU MRL**

After three seasons of uncertainty around the EU Dichlorprop-P MRL, there was finally some actual progress when the Commission finally published revised MRLs for citrus types other than oranges. These revised MRLs have now been set at levels similar to those for oranges and this has enabled the use of Dichlorprop-P on mandarins and grapefruit for the 2018/2019 season. CGA supported the MRL applications made by the product supplier to increase the MRLs by providing letters of support and submitting information around the need for the products in the SA context. Similar letters were compiled for support of a revision of the RSA MRLs in line with the new EU equivalent MRLs.

- **Recommended Usage Restrictions (RUR)**

Only one update to the *Recommended Usage*

Restrictions for Plant Protection Products on Southern African Export Citrus (RUR) took place in January 2018, although another revision is due early in the new financial year.

- **RSA MRLs Updated**

Long delays in the publication of RSA MRLs by Department of Health (DoH) has been due to no dedicated toxicologist being available within DoH. For this reason the citrus and other agricultural sectors have operated on "provisional" MRLs for actives newly registered by the Registrar of the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act No. 36 of 1947). Finally on the 7th April 2017 a call for comments on a raft of "provisional" MRLs was published which have in turn been adopted as official MRLs under the Foodstuffs, Cosmetics and Disinfectants Act (Act 54 of 1972).

- **Official Recognition by Indonesia:** DAFF have successfully re-applied to have the RSA food control plan approved by the Indonesian authorities, which means access to that market with less residue testing of the product on arrival. This successful application is based on similar pre-export conditions laid out in the original SOP for fresh fruit exports to Indonesia. DAFF must be recognized and thanked for their hard work in this regard.

- **Variation in Results of Officially Recognized Laboratories**

Some concerns have been raised about the consistency of residue analysis results from different laboratories in SA and how this might influence the perception of the southern African citrus supply chain's ability to comply with market and retail residue standards. The reality is a vast number of residue analyses are done locally and abroad and these show a high level of compliance. However there is still some variation in the results between laboratories. Appropriate ring-testing to promote more consistency in the results has been done previously and CGA will work with CRI to undertake another round of testing.



Retailer Engagement

No direct retailer engagement with EU retailers took place in 2017 as the intended trip to the EU in the latter part of the year was overrun by the EU FCM requirements and the development of the FMS. This was regrettable in light of the momentum built up from the last visit, especially to the UK retailers. A further trip is planned in 2018 to pick up the communication and engagement on the range of consumer assurance matters including official and commercial PPP residues tolerance, labour standards, water issues and environmental standards. Interaction with local buying offices of some retailers is ongoing but more effort will be made to reach those buyers who are not invested in the RSA citrus supply chain.



Water Matters

Drought conditions affecting the southern African growing regions has highlighted the dependence of the citrus industry on good quality water. CGA is continuing its work with Institute for Natural Resources (INR) and growers to identify and adopt water best practices. The finding of the INR water project investigating the resilience of the SA citrus supply chain to the UK retail market from a water perspective will be released in the new year.

Sustainability Initiative of South Africa (SIZA)

It is pleasing to report that overall SIZA membership continues to grow and the citrus sector is a major proportion of that membership base. However, the implementation of a SIZA Strategic Plan to see more representation of citrus producers outside the Eastern and Western Cape is needed. More must be done to address the issues of audit costs and the availability of audit firms in the northern areas. This is perceived to be a major contributing factor to disproportionately lower uptake in these areas.

Significant strides have also been made in roll out of a SIZA environmental standard - which is practically the first of its kind in the world and developed in conjunction with World Wildlife Fund (WWF). This truly represents a “from the ground up” model compared to other global standards which generally are “pushed down from the top”, but has also undergone international benchmarking. The SIZA team have done well to increase the functionality of the SIZA IT platform to include the environmental component as part of the SIZA social standard, and to develop a full environmental stand-alone module for next year. Growers will be aware that this represents a practical and relevant alternative, with the prospect of genuine positive changes on the farm, compared to other tick -box audit approaches that have often been used to compel compliance. As part of this process the Confronting Climate Change initiative has also been under review and moving towards a user-pay model compared to an industry funded model. In this sense Blue North will take more responsibility for the implementation of the CCC going forward.



RESEARCH & TECHNICAL

Prof Vaughan Hattingh

CEO, Citrus Research International (CRI)



Early in 2018 the whole citrus industry was impacted by the introduction of the False Codling Moth Management System (FMS) that enables 40% of southern Africa's exports to continue going to Europe. This system was only made possible by CRI's multi-disciplinary research conducted over the past ten years, both within CRI itself and through CRI's partnership with universities, using industry funding. This successful, multi-institutional research model continues to provide the citrus industry with the research depth and technical support required to support the industry's continued growth. Staff at CRI in 2017 encapsulated this vision in their new logo: 'Securing the future of citrus through science'. Detailed research results can be found in the CRI Group Annual Research Report.

Governance and Funding

The end of the 2017/18 financial year saw the resignation of Dr DJ Nel as Chairperson of the Board of Directors of CRI, although he will remain on EXCO for another year. His replacement as Chairperson is PJ Smit. L von Broembsen stepped down as a CRI Board Director and has been replaced by JE Vorster.

The industry's research continued to benefit from some Government funding by way of Sector Innovation Funds from the Department of Science and Technology. Additional funding became available within the Post-harvest Innovation programme for use in 2018, after which this programme will terminate. The Research for Citrus Exports programme will also terminate at the end of 2018. However, due to the success of the Sector Innovation Fund, DST may create a similar

fund in the future. Co-funding of research at universities through the Technology and Human Resources for Industry (THRIP) fund has diminished since its administration was taken over by the Department of Trade and Industry and this has been detrimental to research conducted at universities. 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.

Market Access

The year was dominated by the process of preparing for compliance with the new EU FCM phytosanitary regulations. In the absence of CRI pre-emptively having conducted approximately ten years of research aimed at enabling adoption by the EU of a feasible FCM regulation and enabling the industry to comply with such regulations, the southern African citrus industry would have been faced with a major crisis. The FCM Management System (FMS), as the basis for complying with the new EU FCM regulations, is an example of research conducted for many years in anticipation of future developments that has translated into massive value to the industry. The FMS as developed by CRI is not only a unique application of the scientific results to a practical market access challenge, but has also been trend setting in advancing the development of innovative techniques to comply with phytosanitary trade regulations. The exclusion of lemons from the EU FCM regulation was an additional breakthrough, again made possible by foresighted research conducted by CRI over several years.

CRI research has significantly added to the scientific evidence demonstrating that the EU CBS phytosanitary regulations are excessively restrictive and disproportionate to the risk. CRI research results have provided the technical basis for South Africa to pursue more favourable conditions for access to the China market, and the negotiations are ongoing. The risk assessments, a pre-requisite for achieving bilateral agreements on access to the Vietnam and Philippines markets, have progressed on the basis of scientific



information from CRI. Access to the Japan market became threatened due to demands from Japan for specific scientific data on the fruit fly *Bactrocera dorsalis*. Rapid response by CRI enabled the generation of the experimental results required by Japan, averting an urgent market access threat to an important market.

CRI provided a technical data package required by USA to advance the South African request for non-CBS free production areas to be able to supply the USA market. All technical requirements have been met and finalisation of the access is considered imminent.

Research Portfolios

Although the market access emphasis has shifted to FCM, the requirements for total control of CBS on exports to Europe has not abated. Research is therefore continuing on this disease in the Disease Management Research Portfolio. The CRI-PhytRisk tool that assists growers in deciding when to spray for optimal CBS control is now available as an application for use on Apple and Android smart phones. Research on CBS spray trials continued and led to the registration of RB1 by River Bioscience. Fundamental, epidemiological research on CBS has been conducted for several years to improve predictive models but it is now being expanded to fruit under shade net. This research also includes *Alternaria* brown spot which is expected to increase under net. Postharvest research continues on propiconazole as a replacement for guazatine as well as an investigation into the fungal degradation of wood pallets. The molecular diagnostic capabilities for Graft transmissible diseases have improved with the appointment of another technician in Nelspruit. Research in this programme 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 continues 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 and several projects are now being funded to investigate the change in pest

status in citrus grown under nets. *Ad hoc* research on the postharvest control of *Bactrocera dorsalis* had to be conducted at short notice to prevent disruption of exports to Japan. Research on the control of *Diaphorina citri* is being expanded to include collaborators in Kenya in preparation for when it reaches South Africa.

The Citriculture portfolio lost the services of Dr J T Vahrmeijer who resigned as programme coordinator for nutrition and water management, although he has continued to manage the large project on citrus water usage that is funded by WRC. His position has been filled on a temporary basis by Dr PJ Raath who comes with a lot of experience. Research on the flowering of late mandarins resulted in Dr J Stander receiving a scholarship for a sabbatical at the University of California and later receiving his PhD. Dr P Cronje's critical research on ambient loading of containers and chilling injury was an integral component in the final structuring of the FMS. He also led the research in a large project on the horticultural aspects of growing mandarins under net. CRI cultivar evaluators are evaluating an ever-increasing range of cultivars and rootstocks but are also trying to understand a recent increase in chimeras. Dr E Hajari of the ARC has completed a project on the use of molecular markers to distinguish between different groups of citrus cultivars which can assist in resolving cultivar mixups, although closely related cultivars still cannot be distinguished.

Citrus Improvement Scheme

Following a record budwood supply year in 2016, which was dominated by lemon and mandarin supply, certified budwood supply in 2017/18 again exceeded previous records. A total of 6.77 million buds were supplied, with lemon demand declining from 33% to 16%, whilst mandarin supply increased from 38% to 42%, and Valencia from 10% to 18%. For the latter, Midnight Valencia demand rose from 379 000 to 655 000 buds. A huge increase in Star Ruby demand was also experienced, from 106 000 to almost 280 000 buds.

Amidst the high budwood and rootstock seed demands, Citrus Foundation Block improved its production to supply 70% of buds directly from CFB. CFB stock rose to 395 cultivars, 19 000 new multiplication trees were produced, 9 000 trees were removed, and plans are afoot to expand rootstock seed production by planting another 2.5 ha.

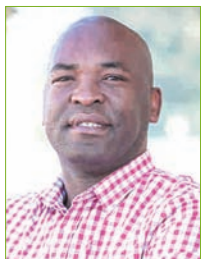
Biosecurity

Whereas the post of Industry Biosecurity Manager itself has not been filled, much of the required biosecurity work continues through involvement of many CRI staff with specific biosecurity projects. The Asian citrus psyllid *Diaphorina citri* that is the vector for HLB, has been detected in eastern Tanzania and has been spreading northwards through Kenya, westwards towards Uganda and southwards towards Mozambique, but the pathogen has not as yet been detected in this region. Research on the control of this vector is being conducted with collaborators in Mauritius and Kenya. Collaborative research, being undertaken in collaboration with Florida, is valuable preparation for potential future incursion into southern Africa. Likewise, a project utilising dogs for early detection of infected trees, is another component of HLB preparedness.

Extension

The extension division continued to provide coordination of citrus technology transfer to the citrus industry, using its well established structures. The primary forum for research feedback remained the regional workshops, with five regional workshops being held in two or three series per year. The midyear 2017 Production workshops attracted approximately 500 participants, whereas the IPM and Disease Management workshops in September 2017 were attended by approximately 800. The February Postharvest workshops continued to be the flagship series, with approximately 1000 delegates participating. The postharvest technical forum, convened by extension, continued to play a crucial role in ensuring technologies are aligned throughout the export supply chain. This was particularly crucial in 2017, given the challenge of ensuring all links in the supply chain align to make implementation of the FMS possible.

The Packaging Working group continued to provide a valuable forum for maintenance of acceptable standards for packaging material supplied to the industry. The extension division enhanced its technical support for packhouses with Catherine Savage joining the extension team, while still maintaining an active involvement in the postharvest research portfolio.



CGA GROWER DEVELOPMENT COMPANY (CGA-GDC)

Lukhanyo Nkombisa



During the past ten years, the citrus industry has made considerable inroads in transforming the industry, in terms of ownership of both land and production, and in terms of integrating previously disadvantaged individuals into the management of citrus industry enterprises. Both the proportion of land ownership and export cartons in the hands of PDLs are now nearing the 10% mark.

There are a number of factors that contributed to these successes - the efforts of individual companies in the industry and government funding initiatives are good examples. But the efforts of the CGA and the companies that it has mandated to focus on transformation has without a doubt had the most significant overall impact.

Extension Support

Face-to-face methods are the most universally used extension methods in both developed and developing countries. The personal influence of the extension worker can be a critical factor in helping a farmer through difficult decisions. A farmer is often likely to listen to the advice given by the extension agent and will be grateful for this individual attention.

During 2017/18, a total of 135 one-on-one visits were conducted by the CGA-GDC extension officers to the developing citrus growers in all the citrus growing regions of South Africa.

Citrus Study Groups

The citrus study groups play a major role in technically positioning

citrus farmers in the current farming environment. The study group environment offers citrus farmers the opportunity to engage in a more in-depth discussion with peers, sharing information and knowledge about a subject or an issue they are collectively involved in.

The CGA-GDC has established citrus study groups aimed in particular at development growers, which the CGA-GDC also convenes and manages. There are a total of eight citrus study groups, as follows:

- Limpopo (Vhembe, Mopani, Waterberg)
- North West (Bojanala Platinum)
- Eastern Cape (Sundays River Valley, Kat River Valley, Patensie)
- KZN (Nkweleni)

Each study group holds one citrus study group meeting per quarter, making a total of four citrus study group meetings per year. A total of 64 citrus study group meetings were held during 2017/18 financial year. Attendances of study groups meetings ranged from 10 to 70 people.

Information Days

All the regions (provinces) that have well established citrus study groups have each hosted the Information Days. In 2017/18, a total of four citrus information days were hosted in four provinces. The attendance ranged from 60 to 150 people.



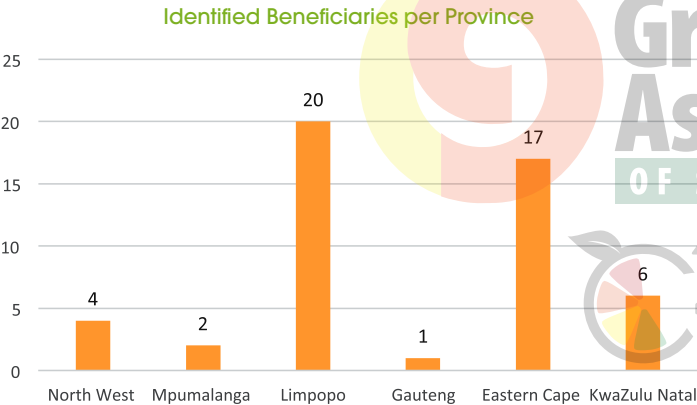
CRI Citrus Regional Extension Workshops

Citrus Research International (CRI) holds three series of regional citrus workshops every year to capacitate both the developing and commercial citrus growers. The CGA-GDC supports the developing citrus growers who attend these regional workshops by paying their registration fees, whilst the farmers cover travelling and accommodation costs.

SIZA Project

Citrus is an export oriented industry, hence it has become critical to ensure that we build capacity of the producers for the export market. One such a programme related to export compliance is the Sustainability Initiative for South Africa (SIZA).

Below is a graph showing targeted farms per province.



Ninety-four people participated in the training, including representatives from farms and advisory services (private and government).

All participants were issued with certificates.

Table below indicates the breakdown of total number of people trained.

Province	Total No. Trained	Farms Represented	Advisory Services Representatives
Eastern Cape	38	16	2
KwaZulu-Natal	7	4	1
Mpumalanga	7	1	0
Limpopo	28	15	6
North West & GP	14	6	2
Total	94	42	11

Of the forty-two farms that benefited from training, thirty-nine have been registered on the SIZA platform. Of these thirty-nine, eleven have approved Self-Assessment Questionnaires (SAQs). Twenty-seven have been reviewed and the missing information has been identified.

Eastern Cape Economic Transformation Project

To ensure that there is significant participation of black citrus producers in the country, the CGA-GDC has established relationships with the provincial government departments. This is critical for an industry that creates a hundred thousand jobs. The Eastern Cape provincial Department of Rural Development of Agrarian Reform (DRAR) entered into cooperation agreements with the CGA-GDC in support of a citrus industry economic transformation programme. The agreements included a five year Memorandum of Agreement and a Service Level Agreement which will be reviewed annually.

Consultative sessions were held at local level between growers and officials to discuss the allocation of funds. A needs assessment was conducted resulting in a citrus production plan reflecting the requirements of the growers and the associated costs across the two

citrus producing districts of Amathole and Sarah Baartman. The grant allocation was split into two major categories, being new development or expansion, and provision of inputs. New developments included the trees, soil preparation and irrigation, while inputs included fertilisers, chemicals and pesticides. The first year of implementation targeted fifty hectares (50ha) for expansion, from which ten farms benefited, six in Amathole and four in Sarah Baartman, each with an allocation of five hectares. Committees were set up to guide, monitor and report on the implementation of the project. The committees are composed of staff from the Company, provincial department at various levels, and representatives of growers.

Inputs - Under inputs, twelve farms were funded in Amathole and nine in Sarah Baartman. These included fertilizers and chemicals in accordance to the spray programmes of each individual farm.

Land Preparation

This was done across six farms namely; Eden, Peter Family Trust, Sunland Farms, Jerico, Oakdene and Nomzamo. The activities involved bush clearance, ripping, trimming of ridges and cutting of access roads.

Irrigation - Ten farms were supported with irrigation and orchard equipment namely, Lunimark, Konzi, Jerico, Oakdene, Sunland Farms, Nkomoshe, Entabeni, Siyamila, Naudeshoek and Eden. The equipment was either directed to upgrading existing irrigation or establishing new blocks. Equipment included poly pipes, nylon couples, micro-jets, mainlines, sub-main and valves. The Service Provider provided the design and layout of the orchard irrigation plan. The farmers contributed by digging trenches, doing electrical work and laying drip irrigation tubing.

Trees - Only nurseries that are certified by Citrus Research International were used to purchase trees to ensure that only certified clean seedlings are used. CGA-GDC working in close contact with the strategic partners for individual farms negotiated with nurseries to make trees available for the benefiting farms. Eleven farms were allocated trees, and so far four managed to plant before the start of winter and the rest will plant from September onwards.

Business Plan Development

Forty two business plans were completed across the following provinces:

Limpopo: 14; Eastern Cape: 10; KwaZulu Natal: 12; North West: 4 and Gauteng: 2.

Some of the highlights of the major challenges affecting the farms and recommended generic support systems were:

- Some existing orchards are in a state of neglect, requiring complete replanting;
- Some enterprises are extremely small in size, less than five hectares;
- Water resources require major attention due to various reasons from dam siltation, dysfunctional irrigation systems and boreholes, and inconsistent water supply from the rivers. Hence the need for hydrological assessment to determine and quantify water availability;
- The need for irrigation system design from a preferably central service provider to the CGA-GDC;
- The need for a mentorship programme;
- Some enterprises are located far from packing facilities, hence a need for the establishment of central/cooperative packhouses was recommended.

Citrus Value Chain Development

The CGA-GDC joined forces with DAFF Marketing Division to update the situational analysis survey to the developing citrus growers in Eastern Cape, Mpumalanga, Limpopo, North West, Western Cape and Northern Cape. The survey was done jointly with the staff of participating PDAs. The main purpose of the survey was to collect relevant data relating to the participation of black citrus producers within the South African citrus industry and to establish their challenges and constraints and ultimately propose interventions necessary to enhance their participation within the entire citrus industry. So far, ninety nine growers have been surveyed across the country.



CITRUS ACADEMY

Jacomien De Klerk
General Manager



Citrus Academy Board of Directors

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

Representation	Name	Date of Appointment
CGA	Phillip Dempsey (<i>chairperson</i>)	2012/11/20
Donors		
(Citrus Industry Trust)	Alex Sithole (<i>vice-chairperson</i>)	2015/05/06
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:

Date	Meeting	Apologies
2017/09/05	Board Meeting	Andrew Muller
2018/03/23	Board Meeting	Cornél van der Merwe

The tenth annual general meeting of the Citrus Academy was held at The Birchwood Hotel and Conference Centre, Boksburg, Johannesburg on Wednesday, 23 August 2017.

Financial Results

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

In the 2017/18 financial year the Citrus Academy recovered its financial position and reported a surplus of R578,286 compared to a shortfall of R518,663 for the previous financial year.

Career Fairs

The Citrus Academy takes part in regular Career Fairs at various institutions around South Africa. The aim is to create awareness about the Bursary Fund and to encourage young learners to study agriculture.

In 2017, the Citrus Academy took part in the PMA Career Fair at the University of Pretoria in May and the University of Mpumalanga Career Expo in August, at the University of Mpumalanga on 17 August.

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

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

Year	Postgraduate Support		Undergraduate Support		BEE Bursary Support		Total	
	No.	Value	No.	Value	No.	Value	No.	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	15	860 600	16	409 986	24	487 800	55	1 758 386
2018	22	1 305 500	28	837 000	26	540 550	76	2 683 050
Total	172	7 782 536	362	7 496 257	191	2 843 698	725	18 122 491

Citrus Academy Bursary Fund Experiential Learning Programmes

The Citrus Academy create opportunities for Bursary Fund students to gain exposure and experience while they are 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 was as follows:

Category	2017 Students	2018 Students
<i>Vacation work</i>	5	-
<i>Internships</i>	6	6
<i>Graduate placements</i>	3	2
<i>Industry exposure programme</i>	10	-

Pick Me!

The Citrus Academy has created a platform on its website for sharing information about job seekers and companies seeking employees. Candidates are listed as either Citrus Academy Bursary Fund graduates or job seekers with citrus-related qualifications. The CVs for job seekers can also be downloaded from the platform.

Learning Programmes

In September 2017 the Citrus Academy concluded the Citrus Business Management programme that was held in Letsitele, Limpopo Province. Eighteen learners, sixteen of whom are from emergent growers in the region, successfully completed the programme.

E-learning development is continuing, with the Citrus Secondary Programme and the Citrus Business Management being transferred to the platform.

Learning Media

In the year under review, the development of three audio-visual series was completed. The series focused on Citrus Pruning, Citrus Propagation and Plant Structures and Functions. In 2018, a module dealing with Citrus Rootstocks will be added to the Citrus Propagation series, and a series on Safe Handling of Agrochemicals will be developed.

Citrus Resource Warehouse

The Citrus Academy moderates and maintains an industry information sharing platform where documents can be found in searchable PDF format that deals with all aspects of citrus production, including research reports, extension briefs, legislation and regulations, annual reports of CGA group companies, amongst many more.



RBX GROUP

Rob Elfick



A year of significant evolution is the hallmark for this group during this time. The arrival of the new CEO and the establishment of one Executive Committee to oversee both companies took shape early in the year only to be disrupted due to the resignation of Keith Danckwerts who was the previous General Manager of RB and at the time the Business Development Manager for the group. Keith had decided to move his family to Australia and we thank him for his years of dedicated service and wish him all the best in his new endeavours down under. Keith's departure precipitated a change in the executive committee where a new Business Development Manager in Sean Thackeray and a Sales and Marketing Manager in Clint Lawson, joined the group.

Around the same time the previous Executive Chairman Louis Rossouw and another long serving member of the Board, Paul Marais, stepped down from the Board of Directors. Dave Gerber, who had been an alternate on the board for Paul, then joined the board as a full member. The operation of the one Board of Directors and one Executive Committee for the group

then started to gain momentum just in time for a season of significant challenges and record breaking results.

River Bioscience

RB had an outstanding year with record volumes and profits. Cryptogran sales volumes exceeded the previous seasons high volumes by 20% and all other products also showed good growth. SPLAT FCM went through it first year of commercial use and although the first application was challenging, for a number of reasons, the second application went extremely smoothly. The highlight for this product has to be the awesome results that were achieved where it was used and the heightened interest from the market for its use in the upcoming season.

Our RB1 product, that helps the fight against Citrus Black Spot, was registered during the year. Although the registration came too late in the season to sell significant volumes, the volumes achieved considering the timing were very encouraging and once again the feedback from those who have used the product has been extremely positive. Building on the base set and opportunities identified by Keith before he left Sean has taken the Business

Development Department forward with a number of new and exciting products moving steadily through the testing and registration process. These products are both home grown and products from overseas collaborators that will in the future add to the scope and reach of the RB product range.

RB is in a reconnaissance stage of possible joint ventures with selected large international operators to develop opportunities afforded by products such as NPV to be distributed over a range of



target crops in Europe and Africa. The patenting process is currently the main stumbling block to progress.

X-Sterile Insect Technique

X-SIT has endured a few challenging seasons with a number of factors effecting the smooth operation and delivery of the programme. In June and July 2017 the Citrusdal facility made significant changes to its layout and increased its floor space by 30% to facilitate the moth mass rearing process. At the same time the production of Diet, the food for the larvae, was brought in house with the addition of an extruder.

Although the changes were all successfully completed before the start of the new season the commercialisation of the diet's small batch tested production process caused serious issues in the first weeks of full commercial production. Thankfully due to the enormous effort by all the staff this was resolved and above target production was achieved for the last seven months of the release season.

The other significant adjustment to the programme was the successful sourcing and introduction of helicopters as the release mechanism

for the moths into the orchards in the Sundays River valley. This has allowed the releases to far more closely simulate the original release methodology used by the programme and the results as this has been rolled out in other valleys have been exceptional. The existing possibility of release via drone system (Greenfly project) where all practical and logistical experimentation has been successfully concluded has unfortunately met with legislative stumbling blocks impeding short term progress.

Record sterile moth catches and never before seen ratios of sterile to wild moths recorded in all valleys this season have been extremely encouraging for all to see and is a significant boost to the future of SIT as an option in the establishment of a full integrated pest management system in support of the False Codling Moth Management System.

The biggest challenge for X-SIT this year was the higher than expected level of capital expenditure to get the facility into a layout that can deliver the required number of moths consistently and the high cost of commercial testing in a live environment to fine tune the delivery in many parts of the process. This all resulted in a proof of concept and a clearer understanding of the cost of delivery that will see a price adjustment needed for this ten month service in the new season.

RBX into the Future

The two companies in the group are both at very important and complex stages in their growth. Getting the right level of management structure and operational process and support into the group to take on the future is a key focus for the short to medium term.

A recently completed five year review shows significant opportunities for the group and the industries it supports which makes for interesting times ahead.

The RBX Board would like to thank all RBX staff for walking the extra mile in the reporting period to ensure continuous strategic dividends flowing to the citrus growers of southern Africa.





CGA CULTIVAR COMPANY

Jonathan Roberts
General Manager



Review since Inception from Zero base in 2012

- **2012** - Continuous: Procurement, Quarantine, Clean-Up, Evaluation.
- **2016** - Semi commercial plantings of cultivars with potential.
- **2017-18** - First commercial volumes of fruit for post harvest evaluation.

Cultivar development is a slow process, with long timelines and many challenges in each of the phases. The process of review becomes necessary to measure constant improvement and progress.

Currently I am reminded daily that progress is happening, as orders are placed requiring a shift in our core activities. The commercial processes have quickly become the priority Key Performance Area in CGACC's work day. Procurement importation and evaluation, though no less important, are already in place and continue. Our focus now however, is on building the systems required to successfully commercialise the cultivars we have procured. Since the last Annual Report, where I reported on the first releases, we have now authorised the following Budwood and made our first sales.

Since 2015 the following budwood has been authorised:

Growing season	2013-14	2015-2016	2016-17
Total Buds authorised	0	155 500	255 869

Based on firm interest on some newer releases from Quarantine, similar increments in growth for next year are forecast. A constant challenge however, is the availability of budwood.

This brings me to the challenges I have mentioned, the shortage of

budwood is always a concern as a new variety enters the commercial phase. It is a given that on release of a cultivar from Quarantine, (PEQ), time to grow sufficient stocks of budwood will be required, a process that requires careful planning and management with CFB to prevent delays.

However, significant delays occur in material reaching the CFB. The slow pace of throughput of imported material through PEQ, resulting in delays in reaching the CFB for multiplication are felt by all cultivar companies. It may be argued that an Annual Report does not concentrate on operational matters, but when these matters repeatedly affect one's business and the Cultivar industry without signs of improvement, it falls within our Mandate to report on Cultivar matters affecting industry.

These delays ultimately affect our citrus industry from being competitive with its southern hemisphere competitors. South Africa has necessary strict laws of importation and disease eradication in place which has seen us relatively unscathed by foreign diseases. The PEQ Clean-up process is critical to our continued biosecurity, however when poor resourcing of a statutory body occurs, inefficiencies will be unavoidable even with its dedicated staff trying to make do with limited resources. The slow throughput of plant material through PEQ inadvertently has the potential to further threaten the very biosecurity it is intended to safeguard. Ignorant importers are more likely to take 'shortcuts' importing plant material if frustrated by the slow throughput. This will demand further vigilance by our industry and its growers in preventing such occurrences. The CIS under Dr. Paul Fourie are to be commended for the positive initiatives they have undertaken and continue to take with their recent experiential training trip to USA Quarantine facilities for PEQ technical staff. However, this issue frustratingly remains one of the main challenges confronting the cultivar industry as we lag behind other international facilities in the timeline through PEQ. Apart from business challenges and biosecurity, our southern hemisphere competitors, having more lenient import protocols, can have plant material released within six months. Although I do not advocate this path, we need to be aware that even if PEQ functions at optimum throughput, they can release a cultivar some eighteen months ahead

of us. This is manageable, given our better biosecurity. However, when our 'competitors' can release a cultivar four year earlier due to the current 'actual' throughput of PEQ, something needs fixing.

Update on some of the Releases of Last Year

Tanor Late Mandarin, ZA 20176318 - As reported last year, the first commercial plantings were made in 2015-16, the oldest orchard of two and a half years old, (top worked), bore good crops. The same orchard this year has a poor crop, while orchards close by that came into bearing for the first time this year, are good. It appears therefore, like most Late Mandarins, that Tanor will require manipulation to prevent alternate bearing. We are carrying out several trials in evaluation currently. Size is again large and as stated before will be suitable for Eastern and Far East markets.

Red Lina - Red Lina reported on last year has seen consecutive years good cropping on the oldest daughter trees. To date it is probable that it will out-yield its mother, Lina Navel and will be as good if not better than Cara-Cara. It is again earlier internally and externally than Cara-Cara by about four weeks. We have had very good sales this past year and would have sold more but for shortage of budwood.

As reported on in the previous report, a promising sweet Red Hybrid grapefruit from Florida, with low Furanocoumarin, is one of the cultivars that frustratingly remains in Quarantine since import in 2014 and is part of the concern that I have noted already. This is frustrating as in other countries trees are already bearing in evaluation.



Clemensoon - As reported previously, we were awaiting the release of Clemensoon in June, but it finally only released six months later than expected in December 2017. This impacted on CFB's ability to make daughter trees and multiply so late in the season. We will now not have significant volumes by the coming production season in Sept/Oct. First significant volumes are only expected in late summer, Mar/April 2019. Technical information from Spain shows that where the recommended management programme is adhered to, production is like Clementine's such as Nules, however if not, production will be lower than Nules. It is critical therefore that these guidelines are adhered to. These are currently being translated in preparation for the commercial release which will probably be announced in late 2018.

An Early seedless Mandarin from Florida was released from Quarantine last year May before Clemensoon and is doing well and presently being multiplied at CFB. As reported, the cultivar would probably mature after Nova and before Late Mandarins such as Nadorcott. The variety is reported as early, seedless with a high brix, however evaluation sites in Florida, where it was bred, are severely affected by HLB, therefore the first data from South African evaluation trees have already been top worked and will be watched with interest.

Local Cultivars

- Bruce Mandarin, (Tasty 1) a local natural cross, is looking interesting this season and it appears it may have prospects for the Asian market. It will also ripen between Nova and Nadorcott, the first fruit samples from trial sites will be sent as sample to these markets this year.
- Addo early navel, 15 000 trees have now been planted and there are more trees on order.
- DeWet closed navel has orders placed for 12 000 trees.

Any growers interested in any of the above-mentioned cultivars are welcome to contact me on jon@cgacc.co.za or 082 412 8269, alternatively email joy@cgacc.co.za

ABRIDGED FINANCIAL STATEMENTS

	Actual 2016/17	Budget 2017/18	Actual 2017/18	Budget 2018/19
Income	70 117 634	82 490 000	82 520 982	91 610 000
RSA Levy	59 197 963	77 180 000	80 106 378	81 550 000
Swaziland / Zimbabwe Levy	1 133 747	810 000	1 446 919	1 960 000
CBS Provision (Drawn from reserves)	6 858 219	2 900 000		5 200 000
Net Property Income	151 834		53 777	
Interest	521 636	600 000	503 550	600 000
Dividends Received - River Bioscience / XSIT	300 042	1 000 000	300 042	2 300 000
Citrus Summit Income	1 863 773			
Other Income	90 420		110 316	
Expenditure	70 117 634	82 430 312	74 826 671	91 539 565
Staff Costs	5 288 733	5 427 481	6 148 175	6 426 515
Travel & Accommodation	347 933	300 000	457 846	340 000
Office - Rent & Equipment	52 889	215 000	57 769	250 000
Office Expenses	702 716	565 000	715 487	530 000
Board Expenses	311 572	488 750	457 960	750 050
Services (Accounting, Legal & Insurance)	526 480	510 000	266 211	510 000
Subscriptions	204 786	235 000	226 306	1 562 000
Communication	(125 617)	197 000	217 603	198 000
Market Access	3 005 879	3 660 000	3 159 436	3 651 000
Market Access - CBS	3 840 038	7 650 000	4 085 514	7 550 000
Research Programmes - Citrus Research International	42 502 086	45 895 081	43 710 974	48 685 000
Transformation - CGA	241 104	500 000	197 682	2 000 000
Transformation - CGA Grower Development Company	4 200 000	9 000 000	8 000 000	10 700 000
Transformation - Citrus Academy	2 800 000	4 000 000	4 000 000	4 300 000
Depreciation	108 879	32 000	112 098	120 000
Information	733 214	1 305 000	733 373	1 391 000
Citrus Summit Expenses	1 863 773			
Regional Capacity	274 618	200 000	234 306	200 000
Provision for doubtful debts	254 454		(66 153)	
Leave Pay Provision	108 446		69 422	
Impairment of Loan - CGA Cultivar Company (Pty) Ltd	1 084 845		933 751	
Impairment of Loan - Citrus Academy	532 787		(296 537)	
Infrastructure & Logistics	946 448	1 800 000	1 393 509	1 926 000
Market Development	311 571	400 000	11 939	400 000
General		50 000		50 000
NET SURPLUS / (LOSS) FOR YEAR	-	59 688	7 694 311	70 435

