



Our Mission

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

Citrus Growers Association of Southern Africa

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Strategic Objectives

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



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Chairman's Report - Ben Vorster



2018 is done and dusted, and we are already well into the next season. With that in mind I would like to share some highlights on the 2018 season with all our growers

and congratulate each and every person working in our Citrus Industry who had a hand in the success of this past season.

- Firstly, it was the biggest crop ever from South Africa with a record of 135.2 million export cartons. This was a great achievement, not only to be able to sell all this fruit but also to test all our resources, facilities and logistics. Through this past season, we have learned a lot on what needs to be upgraded and streamlined

to achieve an even better export figure in seasons to come.

- We had our third Citrus Summit in PE again, which was a big success with attendance close to 600, comprising of growers, international visitors and various other stakeholders. Once again, a lot of good feedback was received and a job well done to all those who helped make it such a huge success.
- We as Growers took ownership again after many years of the CRI Research facility buildings in Nelspruit, as well as that of the Citrus Foundation Block at Uitenhage. It was taken over by Capespan with deregulation, but we as CGA finally managed to buy it back at a very reasonable price. We would like to thank Capespan/Zeder for the opportunity.
- We also established a new citrus growing

region - Orighstad/Burgersfort, mainly producing soft citrus. Mr Smit le Roux has been elected as Area Director, which will be confirmed at the AGM later in 2019. We all know there is a marked growth in the soft citrus market, so this area will become one of the bigger producing areas.

We have a lot of challenges lying ahead of us, with another big crop looming for 2019.

Success will be achieved through "Unity", for which the CGA is known. Therefore, once again I want to thank all Growers, personnel of CGA, all CGA subsidiaries and all the other people involved in our Industry for contributing to a record year in 2018.

All of the best to everyone for 2019!

I thank you!

BJ Vorster
CGA Chairman



Board of Directors 2019

(back row) Paul Bristow, Hannes de Waal, Charles Rossouw, Guy Whittaker
3rd row: Andrew Muller, Eric Nohamba, Rajen Govender, Piet Engelbrecht, Flip Smit
(2nd row) Mike Woodburn, Per Noddeboe, Gerrit van der Merwe, Jan-Louis Pretorius, Marius Bester
(front row) Vangi Titi-Msumza, George Hall, Fanie Meyer, Ben Vorster, Cornel van der Merwe, Pieter Nortje.
(absent) Jock Danckwerts, Bennet Malungane, Phillip Dempsey

CEO's Report

Justin Chadwick



The 2018 season reached a new milestone, with two million tons of citrus packed and passed for export. South Africa started exporting citrus in the early 1900's, and took

seventy years to reach five hundred thousand tons. The second five hundred thousand tons (to take the total to one million tons) took another thirty-one years, and was achieved in 2001. From one million to one million five hundred thousand tons took just twelve years, while the last five hundred thousand tons was achieved in six years. This illustrates the ever increasing pace of growth in the industry – and all indications are that the next five hundred thousand tons will take just three years.

Average figures for 2018 indicate that the prices (DIP) have started to decline for all four citrus sectors. This after ten years of sustained growth. As a result, many growers reported



poor returns in 2018. With the additional volumes anticipated in the next few years, responsible marketing will be crucial to prevent further erosion of returns.

Despite the lower average prices, total citrus earnings reached a record R20 billion in 2018.

The majority of earnings are made in the export markets (R19 billion), with processing and the local market bringing home about R600 million each.

Within the CGA group there were a number of milestones in 2018;

- The purchase of the research buildings in Nelspruit and the Citrus Foundation Block now means that these strategic facilities are back in growers' hands.
- The retirement of Bruce McEvoy as CGA representative in the USA lead to the appointment of USDA APHIS veteran Nick Gutierrez.
- CRI appointed a Biosecurity Manager as the threat of new pests and diseases increases.
- CGA organized a tour of Maputo port to look at alternatives to a stretched Durban port.
- Department of Transport agreed to an extension of the dispensation allowing the transport of high cube containers.
- CGA made submissions to the Commission investigating expropriation without compensation and changes to the Constitution.
- Fruit South Africa hosted the Ministers Service Delivery Forum (for the Minister of Agriculture, Fisheries and Forestry).
- Southern African exports to the European Union increased, while interceptions for CBS decreased.
- The False Codling Moth Risk Management System (FMS) was implemented with great results.
- A new citrus growing region in South Africa was recognized, with a representative from Burgersfort/Ohrigstad in the process of being included on the CGA Board of Directors
- CGA staff members were recognized for their long service – Paul Hardman for fifteen years, Faisal Asmal and Rauff Dawood for twelve years, and Deon Joubert for five years' service.
- CRI held a highly successful Research Symposium – taking the conference experience to a new level.
- CGA held a highly successful Citrus Summit – with a lineup of world class speakers.

Administration

Gloria Weare, Executive Assistant to CEO

Governance

During the year under review (1st April 2018 to 31st March 2019) the Governance of the CGA has been carried out by 20 Directors in 15 regions, 2 Directors for Emerging Farmers in the North and the South, a Director of Government Relations and a Director who heads up the Finance and Risk Review Committee. A new region - Ohrigstad/Burgersfort - has been formed. The director for this region will be formalized at the AGM in September 2019.

This Board meets twice a year – in March to discuss and approve the Budget and again within six months of the financial year end, usually August or September, at which time the Annual General Meeting of the Group companies also takes place. It has also been deemed necessary to hold a Strategic Planning Workshop every year, which usually takes place after the end of the citrus season.

Overall there is a Chairman, two Vice-Chairmen

and three other Executive Directors who have regular telecons with the CEO to keep up to date with the administration and guide the actions of the CGA on a regular basis. Once the Chairman's two-year term is over, he will step down but stay on as a vice chairman for the next two years. So there will always be an incoming and an outgoing Chairman on the Executive Committee.

To ensure continuity, each director is expected to serve a two-year term of office, after which time the constituents are requested to nominate and elect their choice for the next two-year period. The Directors can be re-elected as often as the constituents wish. Some directors, namely Per Noddeboe, Pieter Nortje, George Hall and Jock Danckwerts, have represented their growers for over ten years – a great show of trust in their abilities.

The growers of export citrus, who are also the owners of the Citrus Growers Association, can discuss any matters of concern with their chosen regional representative, who can then discuss the issue with the full Board at a Board Meeting or request the assistance of the CEO

in the interim.

The National Agricultural Marketing Council (NAMC), who is the Government body in control of the granting of statutory levies, is invited to attend the Board Meetings and AGM.

Changes to the CGA Board of Directors between April 2018 and March 2019

Resignations: Flip Smit (Finance and Risk Review Committee Chairman - FRRC)

New Appointments: Rajen Govender (FRRC)

Dates of Board Meetings

from April 2018 to March 2019:

26th September 2018: CRI Offices, Nelspruit

Apologies: Phillip Dempsey, Jock Danckwerts, Bennet Malungane

27th March 2019: Birchwood Hotel, Johannesburg

Apologies: Pieter Nortje, Paul Bristow, Piet Engelbrecht, Fanie Meyer.

Executive Committee

Ben Vorster - Chairman

Pieter Nortje - Vice Chairman

Cornel van der Merwe - Vice Chairman

George Hall - Executive

Fanie Meyer - Executive

CGA Board of Directors

Ben Vorster - Letsitele

Pieter Nortje - Sundays River Valley

Cornel van der Merwe - Onderberg

George Hall - Boland

Hannes de Waal - Sundays River Valley

Fanie Meyer - Hoedspruit

Gerrit van der Merwe - Western Cape

Paul Bristow - Zimbabwe

Jock Danckwerts - Eastern Cape Midlands

Phillip Dempsey - Patensie

Guy Whitaker - Limpopo

Andrew Muller - Nelspruit

Per Noddeboe - Swaziland

Charles Rossouw - Senwes

Marius Bester - Orange River

Mike Woodburn - KwaZulu Natal/Pongola

Piet Engelbrecht - Senwes

Jan Louis Pretorius - Letsitele

Eric Nohamba - PDI, South

Bennet Malungane - PDI, North

Vangile Titi-Msumza - Government Relations

Rajen Govender - Finance and Risk Review

The regional Directors serving on the CGA Board do not receive any remuneration and give freely of their time to attend the meetings and strategic planning sessions as well as the roadshows and the Summit.

Many thanks for this generosity and commitment – it is greatly appreciated by all in the citrus industry.

During the year under review the CGA acknowledged with appreciation the long service of three of its staff : Paul Hardman – fifteen years' service, Faisal Asmal and Rauff Dawood both achieved twelve years' service and Deon Joubert was acknowledged for the five years he has worked for the CGA.

Communication

Gloria Weare, Executive Assistant to CEO



2019 saw the CGA Citrus Summit taking place as opposed to the bi-annual Grower Roadshows. The very popular and well supported Summit attracted 600

delegates. Delegates were asked to complete Questionnaires which were handed around on Day Two, and was also sent electronically to all registered delegates. Feedback showed that the vast majority of attendees were very pleased with the Event as a whole and the subject matter of the presentations was very informative and relevant. More to follow later in the Annual Report.

From the Desk of the CEO: This weekly Newsletter continues to be a popular source of information to growers and any stakeholder or interested party who has requested to be added to the mailing list. From the Desk summarizes the latest news, reports back on any event of interest during the week and gives reminders on any upcoming meetings relevant to the citrus industry.

Justin Chadwick also has a Twitter account: justchad_cga through which he keeps Twitter followers up to date on industry news.

CGA Website - www.cga.co.za: There are now just under 700 growers, export agents and CMF members with access to the Password protected section of the CGA Website. Information pertaining to shipped and packed volumes, logistics reports, communications

from DAFF, important FMS and Food Safety information, market access news etc is updated at least once a week. Press articles pertaining to the citrus industry are posted on the Publications page. The Home page notes the new information that has been posted, so interested parties can then access the Member section with their individual passwords. Any grower who does not have such a password can apply on the website – click on the Sign Up tab on the Member login section.

CMF (Citrus Marketing Forum) members pay an annual fee which gives them this access as well as to the CMF meetings and relevant information.

CGA Comms Tool: Growers can assist the CGA staff by keeping their information up to date – any changes of contact person, cell phone numbers and email addresses should be forwarded to info@cga.co.za. New growers, even if they have not yet started exporting, are encouraged to send us their information so they can be kept up to date with anything happening within the citrus industry and learn the importance of keeping abreast with the requirements of the export market. We

also need postal addresses to be updated regularly as we sent out hard copies of the Annual Report, S A Fruit Journal and Citrus Statistics booklet.

SA Fruit Journal: A popular and informative journal sent out free of charge to all growers of export citrus, as well as members of SA Table Grapes, FPEF, SA Apple and Pears and SA Stone Fruit. There are a lot of technical articles in this publication, as well as articles of interest of a more social nature. Advertisers therefore reach the whole spectrum of fruit industries in the Journal. sales@safj.co.za

Stories of Succession in the Citrus Industry:

During the year under review the CGA contracted Journalist Louise Brodie to compile a book on Succession. More than 30 farms were visited countrywide and the fathers and sons/daughters interviewed resulting in very interesting stories of the various family's pride in their citrus farms and plans for the future. This publication was available to all delegates at the Citrus Summit in March 2019. Hard copies are available from the CGA offices.



CGA Chairman, Ben Vorster, with Louise Brodie, Journalist and author of Succession, and Justin Chadwick, CGA's CEO.

Representation

Gloria Weare, Executive Assistant to CEO

The Citrus Growers Association of Southern Africa are represented on various Boards and Committees to ensure complete transparency and feedback to the whole CGA Board. Office Bearers during the period April 2018 to March 2019 were as follows:

Citrus Research International (CRI):

Grower Representatives – Hoppie Nel, Piet Smit, Fanie Meyer, Deon Joubert, Eddie Vorster, Mike Woodburn

Citrus Marketing Forum (CMF):

Gabrie van Eeden, Cornel van der Merwe, Peter Nicholson

Citrus Industry Trust (CIT): Mark Fry

RB/XSIT: Jan Louis Pretorius, Dave Gerber

CGA Cultivar Company (CGA CC):

Barend Vorster, George Hall, Guy Whitaker

Citrus Improvement Scheme (CIP):

Jock Danckwerts, Paul Hardman

Citrus Academy (CA): Phillip Dempsey,

Marius Bester, Cornel van der Merwe, Bennet Malungane

Finance Committee (FC):

Flip Smit (up to September 2018), Rajen Govender (from September 2018), Andrew Muller, Hannes de Waal, Mike Woodburn

Risk Committee (RC): Rajen Govender,

Andrew Muller, Hannes De Waal, Jan – Louis Pretorius, Phillip Dempsey, Mike Woodburn

CGA Grower Development Company (CGA GDC): Andrew Muller, Ronald Ramabulana

Citrus Growers Development Chamber (CGDC): Eric Nohamba, Bennet Malungane

Fruit South Africa Board, S A Fruit Journal Board, SHAFFE, ATF: Justin Chadwick

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

Agrihub: John Edmonds

PPECB: Khaya Katoo, Martli Slabber

SIZA: Alana Snyman (newly appointed)

CBS and FCM Disaster Management

Committee: 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. (Members as per discretion of Deon Joubert)

SPS/CLAM/CFSC: Vaughan Hattingh

SHAFFE/MRL Workgroup/FSF/IFPS/FSA

Harmonisation: Paul Hardman

BI Steering Committee: Vaughan Hattingh

Market Access Committee: Elma Carstens



Agricultural Business Chamber – Agbiz

CGA has been a member of Agbiz since 2016. The professional approach to matters concerning citrus growers, and the networking opportunities from this membership are greatly appreciated. CGA would like to thank John Purchase and his team for their hard work.

Expropriation without Compensation (EWC)

Government policy with respect to property rights came under the spotlight with the ruling party's decision to investigate changing Section 25 of the South African Constitution. Agbiz organized information sessions, attended by CGA Directors and interested growers. In addition – Agbiz's Theo Boshoff held three sessions with growers in the growing regions.

The CGA contracted Louis von Broembsen to assist in compiling a submission from the growers, which included inputs from all regions. In addition, CGA facilitated submissions from other regions that wanted to do separate submissions.

By year end the work of the Review Committee was complete – the outcomes of which should be made public in 2019.

Fruit Desk

Agbiz has dedicated Desks that work on behalf of the Wine and Brandy industry, and the Maize industry. Together with the pome and stone fruit sector (HORTGRO), table grape industry (SATI) and export agents (FPEF); CGA decided to establish a Fruit Desk. This Desk will concentrate on trade enabling activities, policy advocacy and representation. Stephanie van der Walt has been employed as General Manager of the Fruit Desk from January 2019.

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 2018 season was the second season of the current four year statutory levy cycle approved by the Minister. The levy for 2018 was 70 cents per carton and R93 million was collected and used to fund the various services provided by the CGA to growers.

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

2019 – 72 cents per 15kg carton

2020 – 74 cents per 15kg carton

Group Finance Committee and Group Risk Committee

The members of the Group Finance Committee (GFC) for the 2018 / 2019 financial year were Flip Smit (Outgoing Chairman), Rajen Govender (Incoming Chairman), Mike Woodburn (CGA Director KZN), Andrew Muller (CGA Director Nelspruit) and Hannes de Waal (CGA Director SRV).

The GFC provides oversight and guidance to the various CGA Group companies' boards on financial management and controls, the annual audit process and financial risk management.

The GFC held two meetings during the financial year on the 1 August 2018 and the 5 March 2019.

In order to ensure that the risks faced by the CGA Group are given proper focus and attention, in 2018 the CGA Board decided to form a separate Group Risk Committee (GRC). The members of this committee are made up of the CGA directors who serve on the various group companies' boards.



The GRC members for the 2018/2019 financial year were Rajen Govender (Chairman), Jan – Louis Pretorius (RB and XSIT Board), Phillip Dempsey (Citrus Academy Board), Andrew Muller (CGA GDC Board), Fanie Meyer (CRI Board), George Hall (CGA CC Board) and Hannes De Waal (CGA Board).

The focus of the newly formed GRC will be to oversee risk management of the CGA Group. The GRC will ensure that each company develops and maintains adequate and effective systems to identify and manage the risks each company faces.

The GRC will also ensure compliance with various corporate governance and company regulations and requirements. The GRC held one meeting during the financial year on 26 March 2019.

After ten years of serving as Chairman of the CGA Group Finance Committee, Flip Smit decided to step down. The CGA would like to thank Flip for his work with and guidance of this Committee over the past ten years.

The CGA would also like to welcome Rajen Govender as the new independent Chairman of the Group Finance Committee and Group Risk Committee.

Risk Management

Some of the main risks to the CGA that were identified are listed below.

Effect of phytosanitary constraints on export volumes and associated levy income:

Citrus Black spot (CBS)

Disaster management committee in place. Special Envoy is engaged with various role players on this matter. Government is being engaged. New export markets are being developed. Additional funds allocated to CRI for research on CBS.

False Codling Moth (FCM)

FCM management committee is in place to assess, monitor and manage this risk. 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. A new appointment to this position has recently been made. CRI is currently mitigating this risk through their disease management department.

Logistical constraints on export volumes and levy income

Logistics Manager is employed to address this risk. Currently working on decreasing supply chain costs, monitoring and advising on reducing congestion and improving efficiency at ports. Increasing exports through alternative ports. Shipping cost escalations and national roads legislation is being addressed.

Socio- political constraints on export volumes and associated levy income:

Land Expropriation without Compensation (EWC)

CGA is communicating and engaging frequently and extensively with industry body Agbiz on this matter. Is also engaging with the Minister of Trade and Industry.

Transformation - General

CGA Grower Development company is focused on developing black growers and industry transformation matters. Has developed good relationships with DAFF and other government departments. 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.

New AgriBEE codes have been gazetted. Implications and requirements of the new codes are being analysed to ensure CGA remains compliant. CGA will apply for a new BEE certificate in August 2019.

Buy in from producers - constraints this may have on future levy approval and income

CGA holds a Citrus Summit every two years and conducts roadshows to each citrus producing area in alternate years. Regular communication with growers through a weekly newsletter and various other Publications. Growers are also informed through a communication database.

Mismanagement of company expenditure and corruption putting company assets and funds at risk.

Two person release system in place on banking system. All payments are checked and authorised by Finance Manager and CEO. Payments are also checked that they are in line with the approved budget. Regular financial reporting is provided to the FRRC, CGA Board and Executive. Annual audit is conducted. Review of internal controls policies and procedures was conducted in 2018. All control systems were found to be functioning well.

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 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

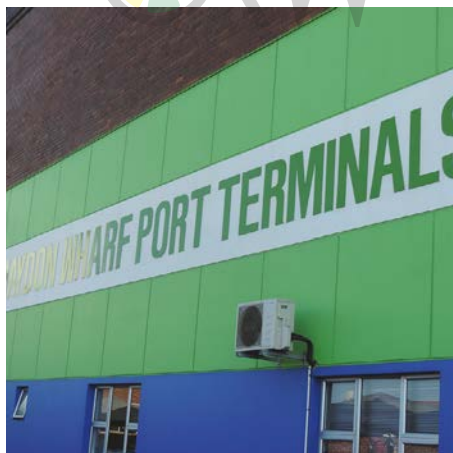
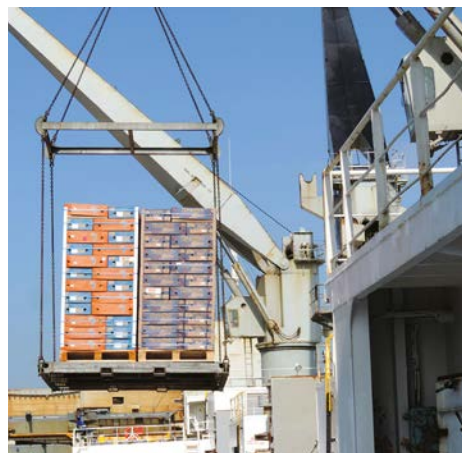
Major focus was put on rail development over the past year since it is expected that an additional 8,000 road truck trips will be required by 2022 in line with growth expectations. CGA and Transnet Freight Rail (TFR) completed an assessment report to determine the number of containers that each production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

Maputo Port

Exporting of citrus from Maputo port is another means of reducing the impact of constraints



due to high volume of citrus being exported from Durban. During the 2018/19 year, major emphasis was placed on encouraging producers and exporters to use Maputo port as an export option. A large amount of ground work was done with DP World Maputo and major shipping lines to introduce a viable service from Maputo. One of the findings of the evaluation was that it is deemed necessary to develop a cold treatment facility on the Maputo corridor aligned to exports of citrus to China and Japan. This development would be essential to create viable and sustainable exports from Maputo.

6-Point Logistics Strategy

On the 13th November 2018, the CGA board members and stakeholders met in Durban to develop strategies to sufficiently manage the current and future export volumes. The strategy aims to develop initiatives mainly aimed at facilitating the forecast 20% growth in citrus exports towards the 2022 citrus export season.

1. Rail transportation of citrus to ports for export.
2. Citrus exports from the Maputo port.
3. Increased shipments in breakbulk conventional ships.
4. Development of logistics IT and information systems.
5. Development and expansion of cold storage infrastructure.
6. Durban port operations and infrastructure development.

High Cube Container Transport

With the expiry of the Moratorium issued until 1st January 2019, the Minister granted a further 12 month Moratorium for specific research to be conducted. The extension of the Moratorium was granted on the basis that research be undertaken to provide prima facie evidence that transporting of High Cube containers on South African roads does not present any real danger. The research team has met to outline the research requirements and to guide the outcome of the legislation.

The Minister has outlined that the research is to be finalized by July 2019 in order to amend any legislation should it be required.

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 and Fresh Produce Exporters' Forum (FPEF) jointly fund the procurement of

citrus information from

two sources. The Perishable Products Export Control Board (PPECB) supplied weekly data on volumes of citrus packed and passed for export. AgriHub; an independent legal entity established between the South African fruit exporting industries and four competing software solution providers, supplied shipping data and reports on a real-time basis. This information is made available to all members of the Citrus Marketing Forum (CMF). During 2018 AgriHub successfully made application to the NAMC to include file types that will enhance the information offering by revealing stock levels of the fresh commodities in South Africa.

Tree Census

The annual tree census was compiled from data collected during DAFF's orchard registration process for exports in October 2018. Additional information was also provided by Zimbabwe and Swaziland growers. The last five years has seen a shift in southern Africa's mix of citrus exports. In 2013 the surveyed 62 238 hectares showed a mix of oranges at 67%, grapefruit at 15% and lemons and soft citrus at 9% each. Of the



83 490 hectares accounted for in the 2018 census, oranges make up 54%, soft citrus 19%, lemons 18% and grapefruit now 9%. The tree census data was used for many purposes, including the Citrus Statistics booklet and updating the long term citrus production predictions.

Citrus Statistics Booklet

The annual Citrus Statistics booklet provides an overview of exports, crop distribution and growth trends of the different citrus commodities. The 2018 citrus statistics booklet was published and sent to all grower members of the Citrus Growers' Association of Southern Africa. Export-related data was supplied by Agrihub and PPECB. The tree census data as well data on and local market sales, processing volumes and revenue were obtained from DAFF. Bud-wood sales data supplied by CRI was also published in the booklet.

83 490 hectares accounted for in the 2018 census, oranges make up 54%, soft citrus 19%, lemons 18% and grapefruit now 9%. The tree census data was used for many

Variety Focus Groups

The 2018 Southern African citrus export crop estimate was assembled by the regional variety focus representatives in March 2018. Regular teleconferences were subsequently held during the season to update the crop projection and discuss the markets. The variety focus groups' updated crop projections were communicated to the industry via the CEO's weekly newsletter and via minutes published on the CGA web site. The table below shows the original 2018 estimates, the actual volumes achieved, and the estimates for the 2019 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 2018 estimate was 97% accurate. The Grapefruit Focus Group underestimated their record crop and experienced a tough marketing year.

In 2018, minor amendments revising the industry fruit quality standards (vetted by the variety focus groups before submission to DAFF) were gazetted.

Type	2018 Estimate (CGA)	2018 Actual	% Difference (Actual vs. Estimate)	2019 Estimate
Valencia	53 927 194	54 417 509	0.9%	52 877 400
Navels	25 670 000	26 731 377	4.1%	26 856 000
Grapefruit	16 824 847	18 756 346	11.5%	17 147 107
Lemons	20 554 000	19 886 684	-3.2%	21 982 876
Soft citrus	14 749 047	16 171 295	9.6%	18 303 160
Total	131 725 088	135 963 211	3.2%	137 166 543



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 2018. 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 2018/19 year the CMF met three times. A special CMF was called in July 2018 by the FPEF to discuss challenges in the current orange marketing season. In October 2018 the closing season's events and lessons were discussed and in March 2019 the forthcoming season was the main area of consideration. The input to the CMF from the variety focus groups with respect to estimates, projections and growers' feedback was facilitated by the CGA.

Reports

The Global Citrus Scan, a one-page summary of citrus news items gleaned from the media was published weekly. Single page graphical summary reports on the shipping of the different citrus commodities by competing southern hemisphere citrus exporting countries (SHAFFE) to selected key markets of common interest were also published regularly during the season. Customized reports for monitoring the finer details of the regional packing activities for grapefruit and soft citrus focus groups were also done on a regular basis through the season.

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, SHAFFE graphical reports and others.



Variety Focus Groups

The various Variety Focus Group Committees 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. These Committees are also called upon from time to time to give opinion on dispensation requests referred to them by DAFF. They met regularly during the season 2018/19 season, in the form of telecons, 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 2019 season are as follows:

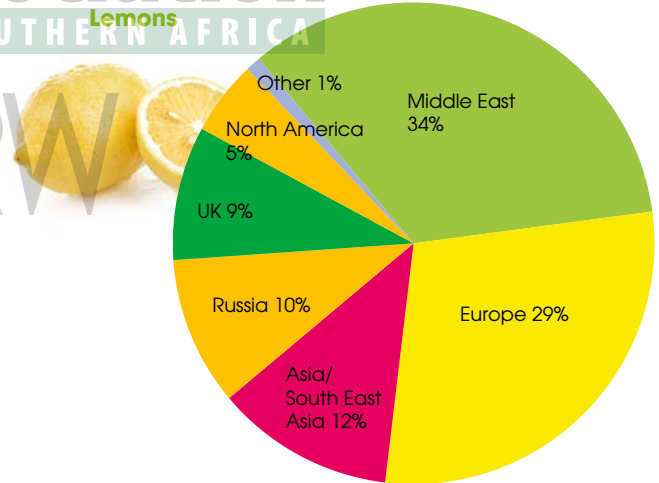
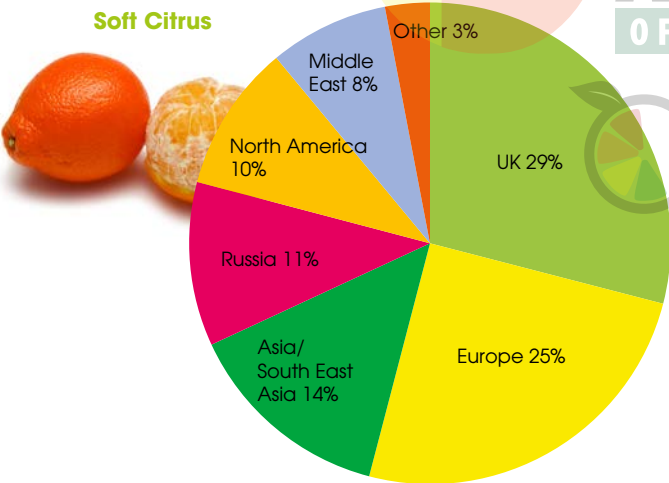
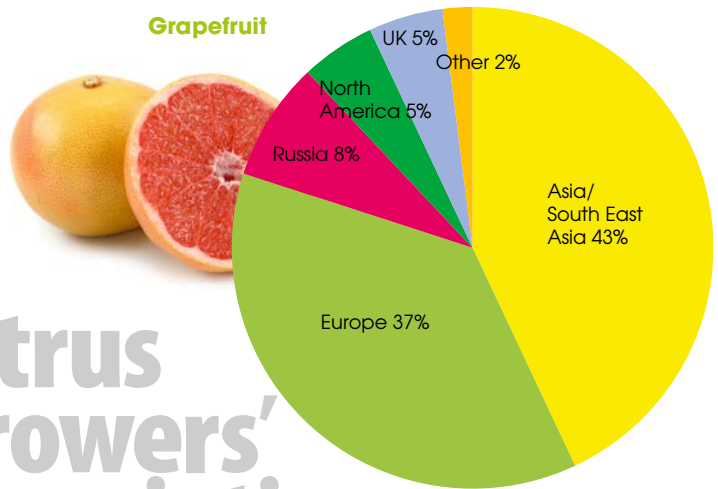
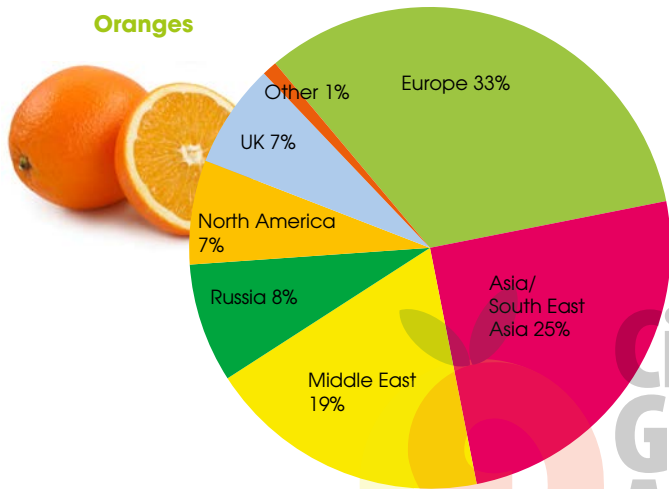
Region	Valencia	Navel	Lemon	Grapefruit	Soft Citrus
Boland		J. Burger	R. Allen		S. Bruwer
Western Cape	S. Engelbrecht	G. van Eeden**	B. Mouton		H. Warnich
Patensie	T. Meyer	P. Dempsey	P. Dempsey		M. Odendaal**
Sundays River	D. Joubert**	K. Terblanche	H. de Waal**	H.de Waal	C. Tibshraeny
E. Cape Midlands		B. Mildenhall	D. de Villiers		J. Danckwerts
KZN Midlands		P. Button	P. Button		
Pongola	A. Rouillard		A. Barnard	A. Rouillard	
Nkwalini	M. Wafer			M. Wafer	
Onderberg	C. vd Merwe			M. Neethling	
Nelspruit	A. Muller	A. Muller	A. Muller		P. Pretorius
Swaziland	G. Brown			S. Geldenhuys	
Letsitele	J. Pretorius			J. Pretorius**	D. Fourie
Hoedspruit	F. Meyer		G.Bezuidenhout	K. van Staden	J. du Preez
Orange River	A.Spangenberg		M. Hamman	L. van Zyl	M. Bester
Limpopo River	K. Smit		F. Dillman	F. Dillman	K. Smit
Senwes	M. vd Heever	H. Schoeman	P. Pullinger		I. Upton

** Chairman

During the 2018/19 season, the Navel Focus Group and Valencia Focus Group conducted joint teleconferences. The following meetings were held by the all the Focus Groups:

Month	Grapefruit Oranges		Lemons	Soft Citrus	Total
March	1	1	1	2	5
April				1	1
May	2	1	1	1	5
June	2	1		1	4
July	1	1		1	3
August	1	1		1	3
September		1		1	2
Total	7	6	2	8	23





Consumer Assurance

Paul Hardman, Industry Affairs Manager



Shifts during the year in the sanitary and consumer assurance realm might have been seemingly overshadowed by new phytosanitary requirements that came into play, such

as the EU FMS. After all, if one

cannot access key markets then the products cannot be sold nor the inherent value realized back to growers. However, as citrus producers know from recent daily on-farm experience, the sanitary and consumer assurance factors were equally important. In 2018 it became even more challenging to successfully prepare citrus for export, especially with the additional market access requirements. Against this backdrop this report focuses on a number of key consumer assurance developments during the period.

EU Imazalil MRL changes

Imazalil is a post-harvest treatment of great importance used to control decay (mould) on export citrus. CGA were aware that the EU were reviewing the Imazalil maximum residue level (MRLs), but became concerned in September 2018 when CGA learnt the EU Commission were likely to lower the Imazalil MRLs. This would mean post-harvest uses of Imazalil on citrus would have to cease from 2020.

To avert the lowering of the MRLs and avoid the negative impact this would bring about on the Southern African citrus industry, CGA embarked on the following:

- Direct engagement with the EU Commission to understand the science, the Commission's proposals and plans and the timing of any changes.
- Engagement with the key Imazalil

suppliers: Discussions with these parties helped to ensure the situation was correctly understood and that in the long-term the suppliers would be filling the data gaps to address EFSA's concerns.

- EU Member States were engaged to ensure they were aware of the possibility of the MRLs being lowered and the negative impact that this would have on food waste, resistance management and trade. Food waste is also receiving considerable attention by the Commission at present.
- CGA and CRI formed a workgroup to plan how the industry might need to transition to waste control programmes where Imazalil would not play a part. One key output from this workgroup was a presentation for the CRI packhouse workshops in early 2019 to update the industry of these developments. Information was also summarized in Cutting Edge communications that were sent to all citrus growers. The workgroup initiated discussions around new research into alternatives. The reality is CRI has already undertaken significant amount of research on alternative post-harvest treatments but future options seem to be solutions less effective than Imazalil.
- CGA maintained contact with the Commission and key suppliers to influence the proposals.

The net result of the efforts by CGA and partners was a revised proposal by the Commission to EU Member States. In summary, the new proposal would see the continued use of Imazalil beyond 2020. For oranges and grapefruit the new proposed MRLs are 4.0 mg/kg (reduced from 5.0 mg/kg), while for other citrus the proposed MRLs are to remain at 5.0 mg/kg. It is anticipated the EU Member States are likely to adopt this proposal later in 2019 and the revised MRLs coming into effect in 2020. The loss of the Imazalil MRLs would have been a blow to the ability of citrus producers to deliver a product of consistent

high quality to the market, thus the retention of the use of Imazalil for citrus to the EU was a major achievement.

Plant protection product issues and progress

Other important changes and topics relevant in the current period include:

- **Lowering of EU MRLs:** As active substances are continually being reviewed by the EU the MRLs can be withdrawn, especially in light of the EU endocrine disruptor rules now in force. In January 2019 the EU published revised MRLs for Fenbutin Oxide and Buprofezin (both at 0.01 mg/kg) that are to apply from mid-2019. It was also noted that the EU banned the use of some neonicotinoids for users within the EU, although the MRLs remain the same for now.
- **South Korea Positive List:** The southern African citrus industry has been preparing for the implementation of the positive list system for MRLs applicable for products entering South Korea from 1st January 2019 and had adjusted the Recommended Usage Restrictions for Plant Protection Products on southern African Export Citrus accordingly. There was concern with the dithiocarbamate MRLs being set at very low levels. However, through engagement with the SA embassy in Seoul, and the main product suppliers here in South Africa, it was possible to establish clarity around these revised MRLs for dithiocarbamates. The positive feedback indicated that temporary MRLs had been established which meant typical uses of these products could continue until at least 2022.
- **Post-harvest Declarations Workshop:** CGA called a workshop to discuss the market requirements and declarations/ labelling conventions for post-harvest treatments on citrus to all key citrus markets. This was an opportunity for exporters to raise practical problems they experience in the markets

regarding the post-harvest declarations. Despite making progress in understanding these challenges the reality is the post-harvest declarations requirements continue to diverge rather than becoming simpler.

- **Middle East food safety developments:** By comparison to the previous year, where a few incidents of consignments being held back from the market occurred, this market received fruit without incident in the period under review. In May 2018 a revised DAFF Standard Operating Procedure (SOP) for Indonesia, Oman, Kuwait and Saudi Arabia was communicated via a Cutting Edge article which surely played some part in this. It also seems that trade issues among the gulf states have also quietened down.

Retailer Engagement

CGA continues to have discussions on food safety and related consumer assurance needs with retailers although the frequency of the engagements should ideally increase. CGA was able to visit key importers and retailers in the Netherlands and Germany during September 2018. These opportunities provide a good opportunity to explain to these parties the impact of phytosanitary regulations given their key role in the decision-making by growers around their use of PPPs. However, the agenda of retailers remains clear regarding fewer (type and amount) residues irrespective on the impact on Good Agricultural Practices or long-term food security. Attempts at "chem-free" consignments had very mixed results in terms of fruit quality in the market so the extent to which this is pursued by retailers will be monitored.

Confronting Climate Change: Fruit and Wine Initiative (CCC)

Credit must go to the number of citrus producers who subscribe to the CCC initiative and are taking their operations' impact on the environment seriously. More pleasing

is the manner in which carbon emissions are declining on farms monitoring the key variables. Changes to the business model for the CCC were introduced from February 2019 to reduce the CCC's dependence on external funding. Users will now need to pay for the CCC services. Blue North (Pty) Ltd has been appointed to operate the CCC under licence by Fruit South Africa and Winetech. CGA will remain on the CCC Steering Committee.

Water related matter

During the year CGA have been working with partners to emphasise the challenges and opportunities (for better management) that exist around scarce water resources. The dry conditions experienced by some growing regions remind us of the importance of effectively tackling this topic. The Institute for Natural Resources have teamed up with international experts to consider increasing resilience to water-related risk in the fresh fruit sector. This work seeks to identify what can be done at the catchment and farm level to reduce the impact of climatic factors such as drought on production of fruit. CGA have also contracted water and environmental experts to work on key communications to growers regarding water – which will be shared with growers in the next financial year.

Sustainability Initiative of South Africa (SIZA)

SIZA continues to make gains in the social and environmental assurance space, where the competition for retailers' recognition remains an ongoing challenge. It is pleasing to see SIZA holding its own against global certification schemes. SIZA rolled out the environmental module so their members could begin making use of these environmental sustainability indicators to demonstrate their commitment to provide fruit off a sustainable platform. This has been well received in the market and citrus producers are encouraged to take up the opportunity to communicate to their buyers the efforts they are making at the farm level.

PhytClean and eCertification

PhytClean

The implementation of the citrus FCM Management System (FMS) and CBS RMS on PhytClean through the 2018 season was a significant achievement for the southern African citrus industry. Credit must go to growers who foresaw the importance of using information systems to better manage the risks around pests and diseases, and have allowed CGA to invest resources into this initiative. Paul Hardman has been project manager of PhytClean with Keziah Naidoo and Dean Pillay the main developers over this period. Thembeke Meyiwa provided IT technical and user support to growers. The IT team's tremendous hard work is very much appreciated. Fruit South Africa (FSA) set up an IT office in Hillcrest in June where the main operations for PhytClean are now housed. In preparation for the 2019 season the FMS on PhytClean underwent a major overhaul given that the FMS itself was updated.

eCertification

DAFF signed a Service Level Agreement with Fruit South Africa (FSA) in March 2018 whereby FSA would build an eCertification system to deliver electronic phytosanitary certificates to trading partners. The concept is to remove paper-based manual approaches and replace these with electronic alternatives to improve efficiencies and eliminate fraud. The project is an extension of the work started under PhytClean and will take at least two years. These solutions will probably impact on the citrus industry in 2020 when electronic phytosanitary certification will be used for the EU. Paul Hardman is leading this FSA team which is also based in the FSA offices in Hillcrest. Re-thinking the certification process will create new ways of doing business and operating between supply chain partners and growers should be prepared for upcoming changes in this regard.

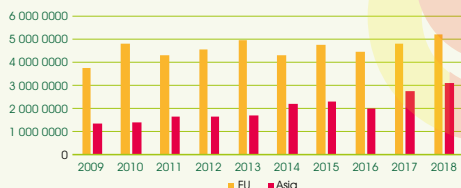
Market Access

Justin Chadwick
Prof Vaughan Hattingh
Dr Elma Carstens

Statistics

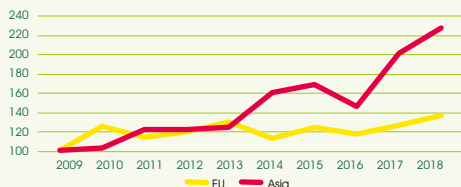
In the early 2000's the Citrus Growers' Association (CGA) took a decision to increase export volumes to Asia. This decision was based on the stagnant nature of the dominant export market (the European Union), and the anticipation that export volumes would increase. As indicated in graph 1, the EU remain the dominant export market – receiving fifty million cartons (750 000 tonnes) of fruit per annum.

Southern African Citrus Exports



However, it is Asian markets that have increased the most over the past ten years. Since 2009 exports to Asia have more than doubled, while exports to the EU have increased by 40%. There have been significant increases in exports to Asia since 2016 – led by China.

Southern African Citrus Exports Index - 2009=100



Philippines

South Africa officially applied for access for all citrus types in 2013.

A Pest Risk Analysis (PRA) commenced and in communication dated 22 January 2018, the Philippines Bureau of Plant Industry (BPI) indicated that they agreed to remove three of the five remaining pests from the quarantine list and accepted the listing of *A. nerii* as a low risk pest pending the result of the scientific survey to be conducted in commercial orchards that could lead to removal from the list.

Despite all the scientific information provided, the BPI still declined to remove *Ceratitis quinaria* from the list and defended their decision by referring to the fact the pest is currently listed by another trading partner as a quarantine pest. CRI and SA-DAFF met and on 26 February 2018 a response was submitted to the BPI. In this response, SA-DAFF indicated that the pest list of the other trading partner was finalised before the new information indicating that Citrus is not a host became available. The new information was only published in 2016.

The BPI responded in May 2018, maintaining their position on *C. quinaria* and requested further scientific information on studies conducted in South Africa to support the non-host status of Citrus spp for this pest. SA-DAFF provided the information to CRI on 24 May 2018 for inputs and comments and CRI provided the data pack for the removal of *C. quinaria* from the BPI's quarantine list to SA-DAFF on 8 October 2018. The data package, submitted to the BPI on 18 October 2018, included expert opinion letters from several

international fruit fly experts stating that citrus fruit is not a host for *C. quinaria*, as well as a report on the results of field surveys conducted in South Africa confirming that citrus fruit is not a host for *C. quinaria*.

On 26 November 2018 the Philippines responded that *C. quinaria* will be retained as a quarantine pest until such time that SA-DAFF can provide published scientific data. CRI is in the process of having the survey report published. CRI and CGA met on 7 December 2018 and agreed to provisionally accept the *C. quinaria* listing until the data is published on condition that the Philippines PRA indicates that the host status is under review.

CRI provided feedback to SA-DAFF on 11 January 2019 and SA-DAFF corresponded with the BPI. On 31 January 2019, the BPI acknowledged SA-DAFF's communication and indicated that they would provide draft phytosanitary requirements in the near future.

Fruit South Africa visit to Manila – A Fruit South Africa delegation visited Manila from 4 to 6 October 2018. The delegation briefed the Ambassador and Embassy staff on the lack of progress with Philippines market access for citrus. In addition, the delegation met the Philippines Bureau for Plant Industry to try and get some progress. CGA was a co funder of the South African stand at AgriLink trade show in Manila.

Volumes – South Africa did not ship any citrus to Philippines in 2018.



Vietnam

South Africa officially applied for access for oranges in 2012.

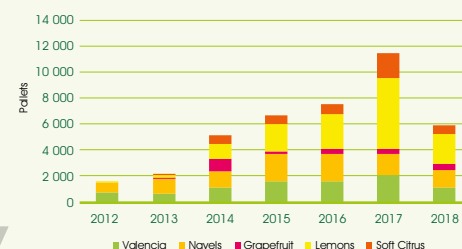
A PRA was initiated and in a response from the Vietnam Plant Protection Department (PPD), received on 10 January 2018, the PPD maintained their position of insisting on the quarantine listing of two contested pests (*A. nerii* and *P. syringae* pv *syringae*), the specification of pre-harvest pest management procedures for *P. syringae* pv *syringae* and the sorting practices in the packhouse. They requested that the new research on FCM, validating improved cold treatment conditions, 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 standard industry sorting and inspection procedures as used for 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 still pending from the PPD.

Fruit South Africa visit to Vietnam – A Fruit South Africa delegation visited Hanoi from 9

to 12 September 2019. The delegation visited the South African Embassy, Vietnam Plant Protection Department and Vietnamese importers. It was confirmed that Vietnam would be sending a delegation to visit the table grape industry, after which the orange industry would be visited.

Volumes – There was a significant decrease in volumes shipped to **Vietnam** in 2018.



China

Exemption of lemons from the current cold treatment requirement (24 days) on the basis of non-host status of lemons for fruit flies

In August 2017, General Administration of Customs China (GACC) requested further scientific evidence that lemons are not a host for fruit flies. They requested that experimental work be conducted in accordance with the guidelines of the relevant ISPM (ISPM 37 - Determination of host status of fruit to fruit flies (*Tephritidae*)).

CRI consolidated the relevant research results into a scientific paper published in a scientific journal. On 14 November 2017 CRI provided SA-DAFF with a draft response, including the scientific publication. The research was conducted according to the IPPC guidelines

as included in ISPM 37 as requested by GACC. An additional verification step was included in the study and therefore exceeds the requirements contained in ISPM 37. The draft response also included 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 information to GACC on 28 February 2018.

On 5 June 2018, SA-DAFF received feedback from GACC, but they still declined to accept that lemons are not a host for fruit flies. The GACC again requested research to be conducted according to ISPM 37 and to be submitted to the IPPC as a draft for inclusion in an ISPM. GACC referred to ISPM 28 – PT

26 (Cold treatment for *Ceratitidis capitata* on *Citrus limon*) which stipulated a fruit fly cold treatment for lemons as justification for their ongoing refusal to recognise non-host status of lemon for fruit flies. On 1 October 2018 CRI provided a response to SA-DAFF. In the response the reasons were highlighted why it is inappropriate to refer to ISPM 28 - PT 26 as a reason for declining to accept the non-host status of lemons for fruit flies. Further discussions took place between CRI and SA-DAFF on 25 October 2018.

SA-DAFF submitted the response to GACC on 9 November 2018. Feedback is pending from GACC.

Acceptance of break bulk shipments

SA-DAFF submitted a response to GACC (AQSIQ) on 23 February 2018. This response

included a detailed explanation of the placement of temperature sensors in a vessel as provided by PPECB and CRI.

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 deck or cooling space. The information indicated that the vessels to be used for shipments to China would 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).

On 23 October 2018 SA-DAFF received a response from GACC indicating that they will accept break bulk shipments of fresh citrus fruit from South Africa. CRI, FPEF and PPECB discussed the protocol and identified that one of the requirements cannot be met. The requirement entails that each pallet must be covered with a mesh after the DAFF phytosanitary inspection to prevent contamination with phytosanitary pests.

A telecon took place on 9 November 2018 between CRI and SA-DAFF to discuss and agree upon a solution to include in the feedback to GACC. On 16 November a bilateral meeting took place between South Africa and China.

The Chinese delegation agreed to remove the requirement that each pallet must be covered

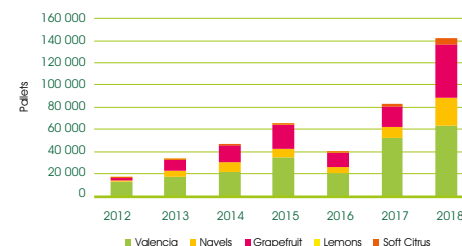
with a mesh after the DAFF phytosanitary inspection to prevent contamination with phytosanitary pests. The two Agriculture Ministers signed the protocol to allow break bulk shipments of fresh citrus fruit from South Africa to the People's Republic of China on 16 November 2018.

The first request from South Africa to China to allow break bulk shipments had been submitted in October 2015.

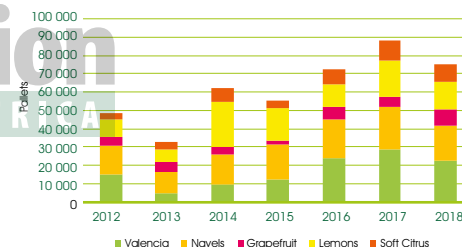
Fruit South Africa visit to Beijing – Dr Vaughan Hattingh accompanied a Fruit South Africa delegation to China from 15-17 November 2018. The delegation held discussions with China Plant Health (GACC), China inspection and quarantine (CIQA), importers at the wholesale market and the South African Embassy. The meetings stressed the importance of reviewing the lemon protocol, and concluding the break bulk considerations. The delegation also attended the Fruit and Vegetable Fair (FVF) in Beijing – where CGA co-funded a South African stand.

Zimbabwe – Media reported on a possible opening of the Chinese market for Zimbabwean citrus. CGA and CRI are working closely with Zimbabwean authorities and growers on this opportunity. There is a biosecurity concern given indications that China wants to assist in providing citrus trees to Zimbabwe.

Volumes – Export volumes to **China** increased from 80 000 tons to 140 000 pallets (a 75% increase). This increase was led by grapefruit (18 000 to 48 000 pallets); with significant increases in navels (10 000 to 25 000 pallets). Valencia exports now exceed 60 000 pallets.



Export volumes into **Hong Kong** returned to 2016 levels.



Japan

Wider access for soft citrus (mandarins)

No progress. Japan-MAFF maintains it will work on one protocol at a time and currently Japan-MAFF is working on a protocol for South African Avocado exports to Japan.

Adoption of a revised cold treatment condition for the export of all citrus types

On 10 January 2018 communication received from Japan-MAFF indicated that they would evaluate the data package provided by South Africa in 2014 to address their concerns regarding *Bactrocera dorsalis*. However, in communication received on 01 February 2018, they indicated that the data submitted with the request to amend the cold treatment to 1.4°C or lower for 16 days would not address their concerns about *B. dorsalis* (refer to “Cold treatment for *Bactrocera dorsalis*” for details). There has been no further progress with Japan evaluation the data submitted by South Africa in support of revised cold treatment conditions.

Cold treatment for *Bactrocera dorsalis* (Bd)

In communication received on 01 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 South Africa to prioritise the Japan request for specific 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, demanded by Japan-MAFF, will be conducted, with an anticipated completion date of end March 2018. 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*. SA-DAFF submitted the reports to Japan-MAFF on 04 April 2018. On 11 April 2018 SA-DAFF informed CRI that Japan-MAFF acknowledged receipt of the reports and that they are in the process of evaluating the data. Japan-MAFF also indicated that South Africa would not be listed as a country in which *B. dorsalis* is present and that exports of permitted fruit would not be disrupted, pending their assessment of the trial results as submitted by SA (SA citrus exports to Japan continued without disruption).

Japan-MAFF responded on 27 March 2019 that they had evaluated the scientific data and that they concluded that Medfly (*C. capitata*) is more cold tolerant than *B. dorsalis* and that they agreed with South Africa that Medfly (*C. capitata*) cold treatments can be used for disinfestation of *B. dorsalis*. Japan-MAFF indicated that South Africa will be listed as a country where *B. dorsalis* is present and that the import conditions will be updated accordingly.

Amend current bilateral protocol to allow for inland inspection, pre-cooling and loading of citrus fruit

A request was received from citrus producers and exporters for inland inspection, pre-

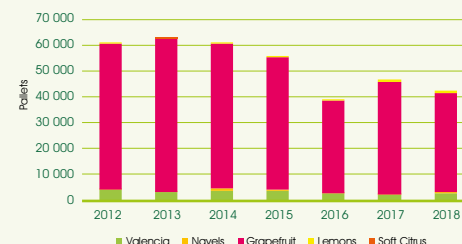
cooling and loading of citrus fruit destined for Japan. The current bilateral protocol only allows the following: “Point 2 (1) A: Cold treatment facilities for the fresh fruits shall be located at the point of pier areas, where it is not necessary to transport the sterilized fresh fruits on land for loading”. At the MAWG (25 October 2018), it was agreed that the industry will submit a proposal to SA-DAFF to request Japan-MAFF to amend the current bilateral protocol to include inland operations. Industry submitted the request on 16 November 2018.

At a meeting between CRI, CGA and SA-DAFF, SA-DAFF indicated that the request to inspect, pre-cool and load citrus fruit from inland facilities will be discussed with the Japanese Inspector, expected to arrive on 1 April 2019.

Fruit South Africa visit to Tokyo – From

9-10 November 2018 Dr Vaughan Hattingh accompanied a Fruit South Africa delegation to Japan. The delegation was led by South African Agricultural Attaché, Mr Sitembele Kelembe. Visits were undertaken to Ministry Agriculture, Fisheries and Forestry and Ministry Health, Labour and Welfare. In addition, an importers seminar was attended by twelve importing companies.

Volumes – Export volumes continued the downward trend that started in 2013. **Japan** remains an important market for grapefruit.



USA

Equivalence between USA domestic CBS regulations and USA import regulations - access for fruit from the rest of South Africa

In November 2017 USDA-APHIS requested further information on the production units and packhouses that will take part in the program 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. On 26 March 2018, SA-DAFF submitted the requested information to USDA-APHIS. On 11 June 2018, USDA-APHIS published the Federal Register Semi-Annual Regulatory Agenda. This Agenda indicated a projection of when the final rule will be published. According to the Agenda, the rule can be expected to be published in September 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 program

USDA-APHIS again indicated during a Digital Video Conference (DVC) that took place between USDA-APHIS and SA-DAFF on 31 May 2018, that they are evaluating the data pertaining to both of the requests and will communicate the outcome to SA-DAFF.

Updated Work plan and pest list

During the DVC, USDA-APHIS indicated that they will provide the updated pest list as part of the updated work plan before the commencement of the 2019 export citrus season.

Despite follow up communication by SA-DAFF and industry on all the outstanding matters, feedback is still pending from USDA-APHIS. In all the communication, the need to be informed well in advance to prepare for exports from the CBS areas was indicated.

Approval of standard operating procedure (SOP) for inspection and pre-cooling of citrus fruit at approved outside depots and transport in refrigerated road motor transport for loading into specialized refrigerated vessels destined for the United States of America

The Fresh Produce Terminals (FPT) at Cape Town Port will no longer be available in 2019 as an inspection point and a cold treatment facility for the Citrus Export Program to the United States of America (USA) due to business related reasons. As this program makes use of both specialized refrigerated vessels (conventional vessels) and containers, an alternative approach for inspection and pre-cooling of citrus fruit destined for this market is required. A Standard Operating Procedure (SOP) was developed by PPECB, SA-DAFF, CRI and Summer Citrus for: i) pre-clearance inspection and pre-cooling of citrus fruit (according to the Work plan) at approved outside cold treatment facilities; ii) transporting of inspected/approved and pre-cooled fruit to Cape Town Port; iii) and for loading of the fruit on the quay side at Cape Town Port into approved specialized refrigerated vessels (conventional vessels). On 14 May 2018 the

document was submitted to USDA-APHIS by SA-DAFF with a request to allow three trial shipments during the 2018 export season. The approved and signed document was received from USDA-APHIS on 20 July 2018. The first trial operation took place on Monday, 30 July 2018. The second and third trial operation took place on 15 August 2018 and 5 September 2018. All three the trial operations were successful. PPECB and CRI drafted a report on the outcome of the SOP and submitted to SA-DAFF in December 2018. SA-DAFF informed USDA-APHIS that the three trials were a success and that the new operational procedure proved to be feasible. The procedure will enable the South African citrus industry to continue with bulk shipping of fresh citrus fruit to the USA. No temperature breaks were identified in the cold chain during the loading of the pallets into the RRTMs, transporting of the pallets and offloading and loading of pallets from the RRTMs into the vessels. USDA-APHIS acknowledged the feedback.

CGA Representative in USA – Bruce McEvoy retired from his position as CGA representative in the USA in June 2018, after serving in this position since 2014. The CGA is appreciative of Bruce's energetic approach to attending to southern African citrus issues in the USA. His huge network, coupled with the respect he garners in the USA, meant that issues were given appropriate attention.



CGA has employed the services of **Nick Gutierrez** as representative in the USA. Nick has considerable experience in the fruit world, having served in many positions with USDA

APHIS, including a long period in Mexico. Nick hit the ground running, and has picked up seamlessly where Bruce left off.

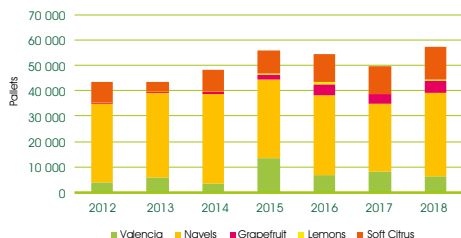
CGA visit to USA – From 17 to 22 June 2018 Justin Chadwick and Vangi Titi (CGA Director) visited the USA. Meetings were held with the newly posted South African Agricultural Attaché' (Jenetha Mahlangu), USDA APHIS, USTR, Heritage Foundation and Corporate Council for Africa. A visit was also made to Holt Logistics in Philadelphia.

CGA at PMA – Deon Joubert attended the PMA in October 2018. The South African Minister of Agriculture also attended, and a lunch was organised for stakeholders to brief the Minister.

Swaziland (eSwatini) – CGA and CRI continued to assist Swaziland growers and authorities with the access process.

Market research – Argentina, Uruguay, Peru and South Africa conducted market research in the USA (under the auspices of SHAFTE) to determine the demand for summer citrus. This was an update to the exercise conducted in 2010. The report is available to CGA members.

Volumes – Export volumes to the **USA** retained their levels above 50 000 pallets, recording a 14% increase compared to 2017.



India

Cold treatment protocol for citrus shipments

- Two trial shipments of oranges have been successfully concluded. The Indian authorities have confirmed that all the necessary steps have been concluded in order to get oranges shipped with in transit cold treatment.

A Fruit SA meeting held in India in April 2018 reported that the Indian authorities now require two trial shipments per citrus type. Two trial shipments of citrus were sent in April 2018. The first included grapefruit and lemons and the second Novas (soft citrus). The container with grapefruit and lemons was cleared, but not the container with soft citrus. No further trial shipments have been sent.

The Indian Authorities did not release the container due to the claim that *Elsinoë australis* was detected on the fruit. The container was returned to South Africa and CRI submitted a sample of the fruit to an independent laboratory for analysis.

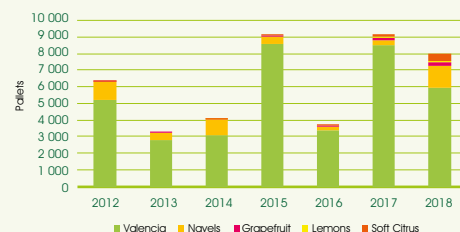
A negative result for this pathogen was received from the laboratory. The pathogen *Elsinoë australis* is not known to be present in South Africa. SA-DAFF did communicate to the Indian Authorities, requesting details about the laboratory methods and also indicated that this pathogen is not present in South Africa.

Fruit South Africa Visit to India – A Fruit South Africa delegation visited New Delhi and Mumbai from 24 to 27 April 2018. The delegation met with the Indian Importers Chamber of Commerce and Industry,

the South African Embassy, and Indian Ministry of Agriculture and Farmer Welfare, Plant Protection Division. The delegation stressed the importance of allowing in transit cold treatment. The Indian authorities confirmed that all the necessary steps had been concluded for oranges. The Indian authorities raised the importance of South Africa concluding the process from imports of Indian mango and table grape to South Africa.

CGA was a co-sponsor of the South African stand at the Fresh Produce India trade show. This was an opportunity to showcase South African fruit, and network with stakeholders in India. Market visits allowed an opportunity to ascertain market demand for South African citrus.

Volumes – Export volumes in 2018 decreased from the previous year. There was an increase in navel oranges exported to **India**.



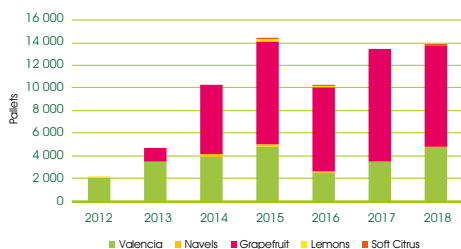
South Korea

Fruit South Africa delegation to South Korea

A Fruit South Africa delegation visited South Korea from 8-9 October 2018. The delegation met with the Animal and Plant Quarantine Agency. The delegation also met with importers and retailers.

Market Development – During July 2018 CGA (through the Grapefruit Focus Group) and FPEF conducted grapefruit promotions at 36 E Mart stores in South Korea. The promotions included bin displays, fruit tasting and grapefruit knife give-aways. E Mart reported a sales increase of 15% in July/August 2018 compared to 2017. The Embassy hosted a lunch for South Korean importers.

Volumes – South Korean volumes held steady at 2017 levels, a decrease in grapefruit volumes was compensated by an increase in Valencia volumes.

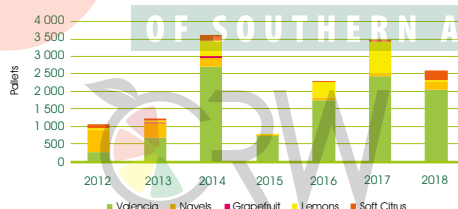


Indonesia

Mutual Country Recognition (MCR) – Countries that are recognized by Indonesia as having acceptable measures on export fruit are given MCR status. This status allows direct imports to the port of Jakarta, and also reduces report requirements. South Africans status has been confirmed.

Permits – Indonesia issue permits to importers as a means of controlling import volumes. In February 2019 Indonesia stopped issuing permits for fruit imports from a number of countries, including South Africa. CGA alerted South African authorities, who worked with the South African Embassy in Jakarta in addressing the issue. This was resolved by April 2019, and permits were being issued.

Volumes – Indonesia – Volumes exported to Indonesia decreased back to 2016 levels. There was a significant decrease in lemon volumes.



Russia



CGA Representative in Russia – Mikhail Fateev continued to represent southern African citrus interests in Russia. Mikhail used all opportunities to engage on issues facing the industry, and in

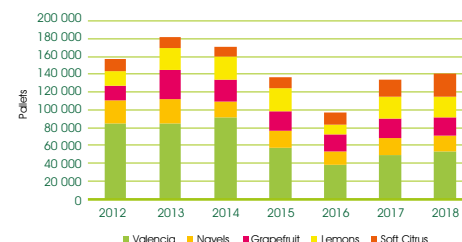
building links between South Africa and Russia. Mikhail prepared a weekly newsletter which is distributed to the Russian Interest Group.

BRICS – Mikhail used his position on the BRICS Business Chamber to raise South African citrus issues. In addition, CGA, FPEF and Fruit SA hosted a BRICS delegation in Johannesburg, and arranged field visits in the Cape.

Labelling – The biggest issue facing the industry is that of labelling requirements by Russian authorities. Anton Kruger (FPEF) and Mikhail Fateev (CGA) used every opportunity to raise the issue and bring about a workable solution.

World Food Moscow – With the contribution of DTI, South Africa had a stand at World Food Moscow. Mikhail Fateev (CGA) was in attendance.

Volumes – Russia – Since bottoming out in 2016, exports to Russia have increased – reaching 140 000 pallets in 2018. There is a good mix of citrus sent to this market. The market is still 40 000 pallets off the 2013 peak.



European Union



Deon Joubert

The 2018 Citrus season was not only a record crop for SA, but demonstrated an exceptional

exercise in risk mitigation by the southern African citrus growers on the EU borders, ably supported by DAFF, PPECB, CRI, CGA and exporters.

The CGA strategy to retain the EU market for SA Citrus, while other markets are accessed and developed, was notably successful in 2018 with around 40% of the growing SA citrus crop ending up in the EU.

This although infinite checks, rechecks, challenges of protocols and tough interactions were often required with some of the individual EU member states (their relevant National Plant Protection Organisations (NPPO's)) when possible noncompliance cases were flagged. Notwithstanding in excess of forty scares or suspect fruit consignments stopped and sent for verification, South Africa only recorded two CBS interceptions and eight FCM noncompliance detections in 2018. This with close to 800 000 tonnes of SA Citrus fruit entering Europe.

Comparatively, the EU Europhyt Statistics reflect SA can now be considered as the best of the "defaulters" on both these two EU quarantine pests. This as SA is right at the back of the CBS queue after Brazil 26, Argentina 18, China 3, Uruguay 3, Swaziland 3, and SA 2. SA notably with far superior numbers of citrus imports.

In the same vein on FCM, SA rates light years behind Kenya 54, Uganda 46, Tanzania 33, Zimbabwe 14 (all flowers and capsicum), SA 14 (8 citrus) and Ghana 12. Again the Kenyan, Uganda's and Tanzanian interceptions were on miniscule import volumes (Capsicum and Flowers).

It is worth remembering that the SA Industry still disagrees that the underlying EU view on science regarding measures relating to CBS is incorrect. So even with the above mentioned stellar performance, SA has been unsuccessful in getting any relief from the EU. Instead the EU stuck to the emergency measures, thus prompting SA to reconsider its options. With all other avenues exhausted to resolve the damaging and expensive CBS measures, little else but the WTO dispute settlement process remains open to SA. This would at least enforce meaningful engagement with the EU for relief. The original suggestion by the EU to follow the IPPC dispute settlement was a huge disappointment, as the panel was repeatedly vetoed by the EU. This tool is clearly of no value to resolve technical trade disputes and it can be stretched out indefinitely. Consequently, the Citrus Industry has engaged with DAFF, DTI and their relevant Ministers to prepare such a WTO case, which is far advanced. Hopefully this process - open to its members to avoid costly and damaging trade disputes, will extract an amicable but meaningful result to both parties.

For SA even more remarkable was that FCM on citrus was in its first year as an official EU quarantine pest and accessing Europe on

the back of its unique and freshly negotiated "SA Systems Approach" as the eventually accepted EU risk mitigation method. The avoiding of "Cold Steri" as a mandatory measure was one of the big wins in the SA Citrus market access arena. It guaranteed avoiding a damaging "SA fruit brand" exercise by mitigating FCM from the fruit before marketing instead of killing FCM in fruit during the marketing cold chain. Hats off to CRI and Phytclean. The in-house development of Phytclean by Paul Hardman and his team, to enable the management of the FMS, as well as get the nod from DAFF as their preferred tool for future applications on other fruit types, is a monumental achievement.

The resulting eight FCM interceptions surprised most of us and was seen as a brilliant result, given the scale in 2017, distribution of FCM in SA and the relative unknown impact of the FMS on the live numbers to be detected on arrival in Europe. But CRI was disappointed as they remained confident that the FMS should have 100% efficacy if the measures are all applied correctly. On their insistence we probed for evidence of live FCM on arrival with the eight reported FCM cases. That was a trying and sensitive set of interactions but we will keep this as a target area to address in 2019.

The Market Access programme visited the EU Commission five times and the Spanish, French, UK, German, Dutch, Belgian, Italian, Portuguese NPPOs, some as many as six times during 2018. Additionally the Fruit Trade in Europe, as well as the member state trade



organisations and lobby groups were visited and roped in when discussions with EU Regulatory Authorities took place. They again proved their value by often arranging and enforcing access to the NPPO's, providing political pressure on issues and advancing fair access and procedural adherence. These direct meetings kept the communication channels open with the EU Regulatory Authorities, ensured a dialogue constantly focussing on SA citrus issues but most importantly relayed the SA view, opinions and issues directly to EU lawmakers.

Unfortunately, although we were successful in keeping our citrus safely in Europe – with very little threatening SA's EU market closure during 2018 – the CBS situation remains highly unsatisfactory for the SA Citrus Industry. Amongst other:

- The EU Commission again failed to recognize the excellent performance of SA on CBS control, nor offered any relief in terms of legislative requirements or measures. So there was no encouragement for the immense task and cost outlaid by SA growers and

demonstrating the level of mitigation on the perceived risk of CBS by the EU Commission. Instead the Commission confirmed the retention of another three years of emergency measures on SA.

The Commission did cover their backs by legislating measures on Argentina and Brazil to move them in step with SA on emergency measures when the two countries detection of CBS rose embarrassingly high compared to the SA detection.

- The CGA decided in 2018 to commission a study on the opportunity cost of CBS measures required for the EU and although numbers of close to 1 billion ZAR were mooted before, the Industry was shocked by the staggering 1.86 Billion ZAR cost to the industry number that flowed from the highly regarded BFAP study on CBS
- The EU Commission changed the playing field regarding CBS a couple of times. They declared publicly CBS must be viable to present a risk of establishing in Europe vs abolishing that position in favour of symptom free – no lesions; The EU agreed testing for viability and this was maintained by CGA interference. Subsequently the EU moved back to requiring only PCR testing of CBS symptoms for dead CBS genetic material and a resulting noncompliance report; The EU drafted legislation for an industrial citrus supply line with CBS fruit going to an end user and destruction in Europe - which poses no risk to the EU on CBS vs now applying the same

phytosanitary requirements to industrial fruit as for fresh; Lastly the EU encouraged SA to follow an IPPC dispute panel settlement process but vetoed the panel repeatedly.

- The decision by the CGA Board to avoid Spanish ports due to the CBS fiasco resulting in 36% of our 2015 CBS interceptions coming from 3% of our citrus volume (coupled with a leaked Spanish official memo instructing systematic PCR testing of all SA citrus fruit regardless of symptoms) has been questioned by some exporters as Spanish retailers and programme suppliers pushed and encouraged SA growers and exporters to ship directly to Spanish ports. This self-regulated policy is causing higher costs for everyone with clients in Spain and their programmes, but kept in place by the necessity due to the current Spanish position (press and small grower representation). So, although the decision has served the SA Citrus industry exceedingly well with our CBS interceptions plummeting from those twenty-eight in 2015 to two in 2018, it remains not ideal.
- Unfortunately it became even more apparent how wise the decision was when considering the late 2018 marketing season for Argentina and Brazil. The early Spanish citrus season was a disaster due to largely unaddressed historic internal issues and constraints, which have been coming on for years. Spanish Inspectors swooped in and piled up CBS interceptions on late Brazil and Argentina fruit through the ports of Cartagena and Castellon

(previously seen as “safe” havens for the non-detection of CBS on Brazilian and Argentinian citrus fruit). Exactly the SA situation of 2015.

- The Spanish press and small grower representation organisations in Spain increased their media attack on South Africa during the latter part of the 2018 SA season, and typically made very little sense. For one, citing the reducing EU orange entry tariff (16% ad valorem - reducing by 1.6 % pa) after 15 October 2015 as the reason for the Spanish soft citrus demise. The statistics proved very quickly that SA exported a million less oranges during the last eight weeks of the 2018 season (vs 2017 when the market did not collapse) and virtually nothing after 15 October, when the partly reduced tariff (4,8%) was applicable. In addition, the Economic Partnership Agreement (EPA) only referred to oranges.
- Eventually the tide turned as first the EU Commission dispelled the Spanish charges and even when Spanish Ministry and Trade started to site internal Spanish structural issues as the culprit, the press moved to Brazil and Argentina (counter season) and eventually Egypt, Morocco and Tunisia became the target. It has led to an enforced EU project to assess the possibility to employ the “Safeguard Clause” – this project is still ongoing.
- The shipping to non-Spanish ports to avoid an overzealous and inconsistent Spanish inspection service is disruptive to maximizing returns and not ideal for anyone. Unfortunately the current situation

in Spain is even more difficult than before. In 2018 some “leakage” in contravention of the CGA and FPEF decision not to ship directly to Spanish ports were mooted and a full investigation was done. It proved a very small number of containers did make the direct Spanish shipment. The perpetrators were visited, the issue discussed and their assurance received that it would not happen again. They all agreed to pay for their actions and contributed funds to CRI for CBS research.

From this the CGA established a working group on assessing the possibility of again normalising shipping through Spanish ports. Currently we are researching the possibilities of different Spanish harbours in a project working on a controlled method with a very small amount of fruit to a Spanish port but ensuring EU market access is not endangered. This project will fall under the control of the CGA Disaster Management Committee and run by the working group. It is foreseen that a small volume of very low risk CBS fruit (orchards with no prior history of CBS) will make up the project.

- The use of Portuguese ports (Lisbon and Sines), that worked well in the previous years with conservative volumes, also had a knock on effect with port delays and disruption, especially when growers and exporters tried to move bigger volumes of oranges late in the 2018 season. Lisbon has had an ongoing strike for four years, but Sines was practically overrun with fruit causing substantial delays, storage penalties and damage to fruit returns. The subsequent visits proved that facilities off

harbour from Sines, can be commissioned to allow containers to be moved off harbour, inspected and de-stuffed in these facilities, thus possibly avoiding a repeat of the 2018 disruption – this project is currently receiving attention.

- Lastly in a positive move the CGA have been roped into a liaison with some of the Spanish grower representatives, along with the Spanish Ministry of Agriculture. The aim is to establish a regular platform to share information and discuss issues of mutual interest thus possibly avoiding or countering the one sided media sensationalism. As such, all may not be achieved early on but talking constructively on areas of concern and interest on a regular basis must be better than the current scenario.

From this initiative above the possibility of a World Citrus Organisation (WCO) to wider representation developed in the CGA. This is currently being discussed with possible constructive partners envisaging a possible first founding meeting during Fruit Attraction (October 2019 in Madrid).

Brexit talks have been exactly that – talks. From leaving end May (Prime Minister May left) the political process imploded and apart from a possible exit date at the end of October, very little is certain. For SA there is very little opportunity now as the UK will harmonise its trade with the EU in the short term, to avoid disruption and cost. This can move forward very quickly should the UK reconnect with its political will or have certainty about its future. So long term definite opportunities for soft citrus and CBS fruit, but not envisaged in the next two years.

Citrus Summit

Gloria Weare

March 2019 saw the third CGA Citrus Summit take place at the Boardwalk Hotel in Summerstrand, Port Elizabeth.

As a means of communication the content of this Summit reaches not only the 600 delegates present, but the international speakers and press spread the word worldwide. The presentations are available on the CGA Website on the Citrus Summit page. The theme of the Summit was "Grow the Future, Together – Balancing Growth and Inclusivity".

Chief sponsors were once again Standard Bank (Diamond); The Co-Op (Platinum); with Villa Crop, Sunkist and Transnet being Gold sponsors.

Silver sponsors were PPECB, Seven Seas, Clemengold, Prophet, SRCC, Mpact, Capespan, Kaap Agri, and CMA CGM.

TV Presenter and Journalist Freek Robinson very ably managed the programme, and main sponsor Standard Bank's Peter Schlebusch gave an interesting and informative presentation titled *Evolving with Business*.

CGA welcomed Philippe Binard of Freshfel Europe (Brussels) to South Africa to present on Global citrus supply and demand. Richard Bright, British editor of *Reefer Brief* spoke on



**Grow the Future,
Together**
Balancing growth and inclusivity

Proudly sponsored by Standard Bank

Future trends in Shipping. Prof Marcos Neves flew in from Sao Paulo to speak on the Citrus Value Chain, and the Summit launched his book titled *Orange Juice Chain – Past, Present and Future*, which was available free of charge to the delegates.

Other speakers from overseas were CGA's representatives from Europe - Rocco Renaldi, Russia – Mikhail Fateev and Nick Gutierrez from USA, all reporting back on Market Access in their various countries. Gert Mulder, CEO of the Fresh Produce Centre in the Netherlands, and CGA's Deon Joubert made up the Panel for some healthy debate on Market Access matters.

An interesting panel discussion on Brand Development was held between

Clemengold's Marius du Plessis, Siobhan Thompson from Wines of South Africa (WOSA) and Trevor Dukes of the Fruit Farm Group SA.

Mono Mashaba led the discussions on Black Grower Development and an Enterprise Development panel discussion followed with Louisa Maloka-Mogotsi (grower from North West), Bennet Malungane involved in Marketing and Co-ordination at Mabunda







farms, and Siseko Maqoma who grows citrus in Eastern Cape.

Agbiz John Purchase spoke on AgriBEE – Working for You, while Wandile Sihlobo discussed Business Confidence in Agriculture.

The Workplace Transformation Topic for discussion also featured SIZA's Retha Louw with Gerrit van der Merwe (ALG Boerdery) and Piet Smit (Komati Group) showcasing documentaries on Worker Welfare on the farms.

Under Logistics, Dave Watts highlighted the CGA's 6-Point Plan which will be implemented during 2019.

Prof Vaughan Hattingh gave a very stern



warning of the threat of HLB to the South African citrus industry and the importance of being aware of this pest.

Youth Development covered *The Fourth Skills Revolution* by Jacomien de Klerk, *Yes 4 Youth* was explained by Lara Grieve, and Prof Steven Worth discussed the *Size and Shape of Agricultural Skills Delivery*, followed by a panel discussion.

The Welcome Cocktails, sponsored by Villa Crop began with a short speech by Marius Boshoff. The function was well attended and the Clemengold sponsored Gin Bar was much appreciated. As a cocktail function it was an ideal platform for networking.

The Co-op once again sponsored the Gala Dinner – all 450 seats were sold out. A welcome speech by Henk Agenbach was followed by various Achievement awards and culminated in the announcement of the latest three Citrus Legends who were very well received as being worthy recipients of this honour.



Citrus Legends 2019

These are chosen by the previous three Citrus Legends and their identity is kept confidential until their names are announced. The three Citrus Legends for 2019 were:-

Milaan Thalwitzer

Milaan believes in a strong and structured citrus industry in South Africa. He played a role in structuring the industry during the regulated era, and has continued his support, passion and commitment towards citrus industry structures in the deregulated era.



Milaan Thalwitzer receiving his certificate and award from the 2017 Citrus Legend Freek Dreyer.

Intensely aware of the challenges that face farmers in South Africa, Milaan has implemented land reform projects and has founded many initiatives aimed at assisting land reform in a structured and inclusive manner.

His family business is run on healthy corporate principles ensuring disciplined governance and successful processes, with honesty and integrity. His communication and management skills has brought the best out of those who work with him. He has been bestowed with one of the highest accolades as National Farmer of the year in 2014 – as well as appearing on the TV programme *Mega Boer*.

The Late Gerrit van der Merwe

This legend will always be remembered for a twinkle in his eye and a can do attitude. When a challenge arose he did not only approach it, but ran towards it in order to sort it out.



He is viewed as the father of South African citrus exports to the USA. He played a leading role in gaining the original access.

Once access was gained he realized the strength in working together – as a founder member and Chairman of what is now known as Summer Citrus. Under his watch South African volumes to the USA have increased from 200 000 cartons in 1998, to close to 4 million today. During times of crisis Gerrit Snr kept a calm head, working on solutions that many had either not thought of, or deemed impossible. For him nothing was impossible.

Gerrit's son, Gerrit Junior, received the award on behalf of his late father from Barend, son of the 2017 Citrus Legend Edward Vorster.

His family have farmed on their farm since 1750. They now farm on 900 hectares of citrus orchards. With a doctrine of inclusivity, the farm is focused on job creation and community upliftment – workers are looked after from an educational, medical and social point of view. Through his Fairtrade accreditation, and from his own resources, this legend has supported those associated with his farming ventures. His farming venture earned him the Agriwriters Farmer of the Year award in 2010.

David Lotter

The leadership positions that this legend has held will be hard to beat. These include Chairman of the South African Co-operative Citrus Exchange (SACCE), Chairman of Outspan International, Chairman of Fresh Fruit International (formed to coordinate the joint support services venture of Outspan and Unifruco on overseas markets) and a Director of PPECB, amongst other board positions.



David received his certificate and award from Mariana, widow of 2017 Citrus Legend Hennie le Roux.

David received the State Presidents Order for Meritorious Service for outstanding merit in the public interest, and the University of Pretoria's Chancellor's medal for his outstanding contribution to agriculture and the economy in general and especially the South African fruit industries.

He believed that agriculture must play an important role in uplifting the developing economies of under-privileged rural areas. He was on the board of the Gazankulu Development Corporation and through his position as Chairman assisted in developing Lisbon Estates into a major fruit producing operation.

Research and Technical

Prof Vaughan Hattingh,

CEO, Citrus Research International (CRI)



Governance and Funding

Dr Hoppie Nel retired from the Board of Directors of CRI at the end of the 2018-19 financial

year and Pieter Engelbrecht

was appointed to the Board. The size of the CRI EXCO was increased to five, with four grower directors forming the basis and the fifth place reserved for co-opting of the most recently appointed grower director.

During the past financial year Piet Smit was chairman, Deon Joubert was vice-chairman and the remaining EXCO members were Mike Woodburn, Hoppie Nel and Eddie Vorster. The CRI advisory committees were chaired by the following directors: IPM - Fanie Meyer, Disease Management - Chris Kellerman, Citriculture - Piet Smit, Cultivar and Rootstock Evaluation - Deon Joubert and Citrus Improvement Scheme Advisory Committee (CISAC) - Fanie Meyer.

Market Access

The FCM Management System (FMS) that CRI developed as an alternative to postharvest disinfestation (cold treatment) was implemented for the first time in 2018 for

citrus exports to EU, with great success. Only nine FCM interceptions on citrus from South Africa were reported by the EU in 2018, from approximately 53 million cartons exported to EU. Based on experience gained during the 2018 season, CRI and DAFF agreed on further improvements to the FMS in December 2018, applicable to the 2019 season. Only two notifications of CBS interceptions on citrus from South Africa were notified by the EU in 2018 which is a major improvement on the 23 interceptions in the previous year.

Continued access to the Japan market was secured when Japan-MAFF accepted the new scientific data generated by CRI, confirming that *B. dorsalis* is more cold sensitive than Medfly (*C. capitata*) and that Medfly cold treatments can be used for disinfestation of *B. dorsalis*. Market access to Japan was further facilitated by the approval of inspection, pre-cooling and loading of citrus fruit at two inland facilities.

CRI contributed to the development and acceptance by USDA-APHIS of a Standard Operating Procedure (SOP) to enable continuation of bulk shipping to the USA, considering that the program was under threat due to unavailability of the Fresh Produce Terminals (FPT) at Cape Town Port for cold treatment preparation and inspections as of 2019. Finalisation of the rule to enable export of citrus from South African production areas outside of the CBS-free areas was scheduled for September 2018, according to the USDA-APHIS Federal Register Semi-Annual Regulatory Agenda that was published in June 2018. However, this has not as yet occurred, despite assurance that all technical issues have been addressed. CRI supported

the eSwatini National Plant Protection Organisation with technical inputs on the Pest Risk Analysis (PRA) conducted for access to the USA market.

CRI and PPECB provided DAFF with sustained inputs during bilateral negotiations that in November 2018 culminated in China and South Africa agreeing to a protocol for bulk shipping of citrus to China. This enables co-loading of citrus destined for China and Japan and is expected to relieve some logistical pressure in the Durban Port. CRI supported the Zimbabwean citrus growers with inputs on the China PRA conducted for export of citrus from Zimbabwe.

On request from CGA, CRI and PPECB revised guidelines for citrus shipments to Indonesia, to provide for handling temperatures that should reduce the incidence of chilling injury on citrus exports to Indonesia. CRI continued to support DAFF with scientific and technical information required in bilateral negotiations with Philippine authorities aimed at opening this market for South African citrus in the future.

Biosecurity

The Biosecurity Manager post was filled in October 2018. As part of the Huanglongbing (HLB) and Asian Citrus Psyllid (ACP) preparedness plan, CRI expanded its African biosecurity collaborations, including involvement in Ethiopia, Kenya, Tanzania, Angola, Zambia, Namibia and Mozambique. CRI conducted follow up field surveys for HLB and ACP in East Africa in conjunction with collaborators in Tanzania and Kenya. Whereas ACP has spread both northwards and southwards along the coast from the original northern Tanzanian detection, the

surveys indicated limited south-westerly spread in Tanzania. No HLB was detected during the surveys. The most southerly detection of ACP was reported in Tanzania just north of Mozambique. Southern African citrus industry HLB and ACP awareness was promoted through presentation of relevant information at the CGA Summit. The HLB and ACP Action Plan underwent extensive development and a workshop was held with nurseries in March 2019 to promote awareness, obtain inputs and secure buy-in of nurseries into the Action Plan.

Symptoms of Citrus Leprosis (CL), known to occur in South and Central American countries, were detected on farms in the Gamtoos and Addo areas of the Eastern Cape Province. Molecular diagnostics indicated the presence of a strain of Orchid fleck virus (OFV) previously recorded on cymbidium orchids, but not previously reported on citrus. *Brevipalpus californicus* mites, which are known vectors of some leprosis-causing viruses, were observed in all the orchards. The detection was reported to the Department of Agriculture, Forestry and Fisheries (DAFF) as is required, and the regulatory status of the pest is pending. CRI formed a Citrus Leprosis Advisory Panel and developed the Citrus Leprosis Response Plan (CLRP) to contain, control and eradicate. With strong support from Sundays River Citrus Company the implementation of the response plan was rolled out and compliance is being monitored.

Two African Greening surveys were conducted by CRI under the auspices of DAFF. In the greening free Tulbagh and Wolseley magisterial districts of the Western Cape Province all samples tested negative. A

delimiting survey was conducted in November 2018 in Knysna, being in the official greening free buffer zone in the Western Cape Province, after an African Greening positive tree was found during the 2017 detection survey. Four of the samples tested positive for African greening. The positive samples were collected from home gardens neighbouring the garden in which the positive tree was found in 2017. SA-DAFF issued orders to the three implicated owners and the trees were destroyed.

In 2011 legislation was published which prohibits the presence of citrus plants in a 5km buffer zone around the Citrus Foundation Block (CFB) outside Uitenhage. Earlier surveys conducted by SA-DAFF had identified land owners with citrus trees and orders were issued to remove the trees. One land owner refused to comply and SA-DAFF has reported the case to SAPS for prosecution. In November 2018, a follow-up survey was conducted by CRI under auspices of SA-DAFF. Detection of additional citrus plants in the buffer zone resulted in SA-DAFF issuing destruction orders. Another follow-up survey conducted by CRI in February 2019, detected additional isolated citrus trees that will need to be destroyed.

Research

Making it possible to continue exports to Europe under the FCM Management System (FMS) highlighted the value of many years of grower-funded research on pre- and postharvest management of false codling moth (FCM). Research on more benign postharvest treatments for FCM has continued in addition to pre-harvest research on less disruptive control options and methods of detecting FCM in harvested fruit. Although

most funds in the IPM portfolio have been spent on FCM research, fruit fly research continues in order to gain, retain and optimise market access. Research has shown that commercial lemons are not a host for Medfly, providing technical justification to push for China to accept export of lemons without a cold treatment. Proactive research in Mauritius and Kenya on the control of the Asian citrus psyllid (ACP) proved difficult due to low populations of ACP in these countries. However, further research in Kenya is planned that will dovetail with further surveys by our Biosecurity division in countries along the east coast of Africa. The earlier release of a parasitoid from Spain for the control of woolly whitefly has now reduced the status of this pest in most citrus production regions. Several different projects on pest management under nets are confirming increased populations of red mite, red scale, silver mite and mealybug, but are not showing that residues from chemicals on fruit at harvest are problematic when grown under net.

Although market access research emphasis has shifted to FCM and fruit fly, the requirements for control of CBS on exports to Europe has not abated. Pre-harvest CBS research is continuing in the Disease Management Research Portfolio and a new technician, Bheki Mabunda, was appointed to assist with this. Fundamental research on CBS has been conducted for several years to improve predictive models as used in CRI-PhyRisk, but these models are now also being applied to fruit under shade net, where they show increased susceptibility to CBS and *Alternaria* brown spot. Postharvest research continues in the quest to find

replacement treatments for fungicides that are no longer accepted by many markets or are under threat of being banned and to resolve the problem of fungi on pallets. The molecular diagnostic capabilities for Graft transmissible diseases are increasingly being used to address biosecurity requirements in the form of HLB in trapped ACP and the first case of the Orchid Fleck Virus causing leprosis symptoms on citrus in one production region of South Africa. The molecular diagnostic services spend much of their time ensuring that CIS citrus trees remain free of viruses and viroids while the demand for conventional diagnostics on soil and root samples continues to increase. This means that additional capacity will be required when ACP arrives in the country and many more specimens need to be screened for HLB. Soilborne disease research continues on root rot on calcareous soils in the Eastern Cape and the need for alternatives to control Phytophthora and nematodes. Guidelines were generated on the management of mefenoxam (metalaxyl) resistance in Phytophthora in citrus nurseries.

In the Citriculture portfolio, the large project on citrus water usage that was co-funded by the WRC was completed and new irrigation norms are now available for different types of citrus in different climates. Dr Pieter Raath has been conducting research on nutritional requirements of citrus and has completed an analysis of grower needs to direct future nutrition research. Dr Jakkie Stander's research on flowering and alternate bearing in mandarins revealed the importance of plant hormones. Dr Paul Cronje's critical research on ambient loading of containers and chilling injury has continued and together with Dr Tarl Berry they are working on improving air

flow and cooling efficiency in cartons and containers. CRI cultivar evaluators continue to investigate the increase in chimeras in some Valencia cultivars and are evaluating an ever-increasing range of cultivars and rootstocks. Some new rootstock/scion combinations may prove to show tolerance to African greening and perhaps HLB infection, so this research could be critical for future sustainability of the industry.

Extension

The extension division continued to provide coordination of citrus technology transfer to the citrus industry, using well established extension structures. The 10th CRI Citrus Research Symposium was held in August 2018 at the Champagne Sports Resort near Winterton and has undoubtedly become the most prestigious technical event in the South African Citrus Industry, with record attendance of 720 delegates. The main purpose of this flagship CRI event is to give research feedback to all the relevant role players in the industry. The primary forum for industry technology transfer continued to be the regional workshops, with five to six regional workshops being held in two or three series each year. The five CRI Integrated Pest and Disease Management workshops in August and September 2018 were attended by almost 900 delegates. The six CRI Postharvest workshops in January and February are the most well established regional workshops with more than 1200 delegates participating in 2019. The CRI Postharvest Technical Forum, with its' membership groupings convened by CRI Extension, continued to play a pivotal role in ensuring technologies are aligned throughout the export supply chain. This

was critically important in ensuring the very successful implementation of the FMS during the 2018 season. The study group meetings in the production areas have again become increasingly popular to address area-specific technical needs. Visits to individual packhouses in all production regions by postharvest extension officers provided packhouses with advice on postharvest technical issues, aimed at southern African citrus continuing to comply with all aspects of market requirements.

Citrus Improvement Scheme

In 2018/19, certified budwood supply exceeded past records with a total of 7.34 million buds supplied by the Citrus Foundation Block or authorized for cutting in certified nurseries. Demand for lemon cultivars declined from 15% to 6%, whilst mandarin budwood supply increased from 44% to 48%, and Valencias from 18% to 19%. The high demand for new trees was hampered by a significant decrease in the rootstock seed yield, experienced by all seed producing nurseries in the Eastern Cape, and CRI had to import seed from Australia and USA on behalf of the nurseries. The ongoing expansion of another 2.5 ha of seed orchards at CFB is progressing well. CFB cultivar stock rose to 412 cultivars, but the top 30 varieties still comprised 93.4% of total number of buds supplied. ARC Nadorcott LS (ARCCIT9), Midnight, Tango, RHM, Leanri, Eureka, Nules, Star Ruby, Or 4 and Witkrans were the Top 10 most popular cultivars, of which over 5 million buds were supplied. CIS played a leading role in the development of the HLB and ACP Action plan to aid the industry in preparing for incursions of these pests in the future.

Research Facilities return to the Industry

In an exciting and somewhat emotional ceremony in September 2018 in Nelspruit, Capespan handed over the keys of the Nelspruit research facility and Uitenhage Foundation Block to the Citrus Growers Association of southern Africa. Capespan were thanked for enabling the CGA to take ownership of these important industry assets. Tonie Fuchs, Angelo Peterson, Dawie Ferreira and Rowan Vickery travelled from Western Cape to partake in the occasion.



*Tonie Fuchs
(Capespan), Justin
Chadwick (CGA),
Vaughan Hattingh
(CRI) and Marc
Solomon whose family
donated the land on
which CRI now stands.*



*Ben Vorster,
CGA Chairman,
unveiled a plaque
commemorating the
occasion.*

In the 1970's the Solomon family donated the land on which the present Nelspruit facility stands and it was fitting that Marc Solomon represented the Solomon family and shared some historical perspective of those early days.

Tim Grout and Paul Fourie gave some interesting information on the workings of the Nelspruit and Uitenhage facilities respectively and Vaughan expressed the importance of a permanent home for the CRI staff.

Piet Smit (CRI Chairman) opened proceedings, and CGA CEO Justin Chadwick received the purchase and sale agreement from Tonie Fuchs.



Jonathan Roberts, General Manager



We're on the score board!

Varieties managed by CGACC, Turkey and Bennie Valencia

were in 2nd and 3rd

position of bud sales in Valencia varieties in the 2019 Stats book.

Red Lina, a new Navel variety, managed by CGACC, is in a close 6th place behind Washington and Bahianina. Red Lina will likely overtake these cultivars in the next year going to 2nd or 3rd place, as budwood becomes



more available and standard Navels continue to come under pressure. In discussion with American farmers in the Central valley on a recent trip to California, I asked what they were planting? Interestingly Cara Cara Red Navel was one, they are very interested in our Red Lina.

However their response was also about the same as South African farmers, they were unsure and scratching for answers of what else to plant. They also have concerns that Late Mandarins are overplanted, but they are still replacing older seeded Mandarin varieties with new Seedless varieties and planting selections that extended their season. But what was really interesting was that they were planting a Navel, Cara Cara but the difference? It is red pigmented and not a traditional navel. There has been a growing demand and they are getting good money for them. Cara Cara appears to be cannabalsing normal Navel plantings. Looking at shelf prices in super marekets there, Cara Cara was selling for around 60% more at \$3.75/kg, (\$1.69/Lb), compared to Navel prices of \$2.18/kg, (\$.99c/Lb.).

The same scenario is probable here with red pigmented navels and Mandarins cannabalsing traditional navel plantings. Blood fruit are the highest orange price, but these are limited as we know to specific microclimates and planted in niche volumes.

All supermarkets visited had standard navels and Cara Cara Navel, but it was evident that sales and promotions were not necessary on Cara, whereas navels were generally running promotions, (in picture).

I had to look closer at the lemons, what I thought were \$.89c/pound on closer inspection was 89c each! There does not seem to be an oversupply of these in Feb-March in USA.

Marketing and market prices are not typical of my annual report, so why do I discuss these prices? Firstly part of our Mandate requires us to; **"Promote the dissemination of cultivar information to its shareholders;** another part, requires us to: **strive to ensure that southern African citrus growers are provided with timely access to new cultivars.**

So the study of trends and searching for answers to farmers' questions and changing trends are a critical component of what we are required to do.

The most common phone call I have these days is a grower calling to ask "what can I plant?" and "what rootstock can I put it on?" One hears it in meetings, workshops, summits, symposiums, golf courses and at the local.

The reason as we know is that lemons and Late Mandarins have been heavily planted in South Africa and the world. And trends show that oranges and grapefruit are flat lining. We need new answers and innovations. This is not just our issue it is worldwide. In discussion with American growers, one of the growers picked out a Tango fruit during the discussion and held it up saying, "This is what the market wants, it has all the characteristics required by the market, the growers like it too, it grows easy, produces well and packs well, so whats the problem?... its too easy!", he said. Looking at the fruit he went on, pointing at me saying, "so you South Africans have planted too

much, the Peruvians, Chile and Australia have planted too much, the Spanish have planted too much and we've planted way too much, so we now have 16 months production for a 12 month market!".

He may be right, there is too much production in the shoulders of the market between northern and southern hemispheres. Some Californian growers we saw have had to drop their clementines onto the ground. In Spain they had to drop Clementines as well last season, due to competition from Southern Hemisphere Late Mandarins. They are looking to shift to varieties ripening early - mid season, between Clementine and Nadorcott, but the consensus is it must be as good as Nadorcott or Tango.

As a result, we and other cultivar companies are on the hunt for Mandarins that have the same good characteristics but ripen earlier. There are many promising ones in evaluation, but still experimental, however some growers with appetite for risk are planting semi commercial volumes.

The following table shows the trend in Area per cultivar since 2000. (Acknowledgement CGA Stats).

Year	2000	2009	2019
%Area / Variety Group			
Valencia/Midnight	45%	41.3%	34%
Navel	24%	24%	20%
Grapefruit	14%	15.6%	9%
Mandarin	9%	8.6%	19%
Lemon	7%	7.6%	18%

The trends are clear, and the last column is probably what one should be looking for as your percentage planting spread.

Remember that the 19% mandarin growth has been mainly in the late season which competes with early northern hemisphere soft citrus varieties. It is critical to spread the season away from these current peaks and South Africa is capable of doing this to a certain extent due to geographical spread.

The Spanish market, which is showing signs of maturity and tough times for growers with the wrong cultivars stands, according to offshore publications, at about 62% for both Valencia and Navel combined. 22% Mandarin and 11% lemon. It is probable that there are many non-bearing Mandarin and lemon plantings in the ground. So, the future five year shift in spread could be settling on around 25-27% Mandarin and 15-17% Lemon with Oranges around 55-57%.

As discussed in previous reports and Newsletters, we have concentrated on procuring early and Mid-season Mandarins some of which we will be releasing this coming 2019/20 growing season.

To complement the Cara Cara Red Navel we have started the commercialisation of Red Lina as can be seen by the bud sales figures of 58 000 buds sold. We are also focussing on pigmented fruit within other citrus groups which are in the pipeline.

Mandarins seem to dominate most discussion and it is one of the big growth varieties, however the table above still shows that oranges dominate, and it is within these varieties that we need to revitalise this group by bringing the market something new like Red Lina.



As the table indicates, the varieties that we have in our pipeline reflect the percentage spread of Variety groups in the last column. Oranges dominate our new cultivars with Valencia first, followed by Navel, then Mandarin, then Lemons and high brix Grapefruit Hybrids. The following are clean and in evaluation:

Valencia from early to latest: TS Early, Ngonini Early, GE early, Limpopo early SL, Turkey, Beli, Bennie, ABSL, Maxi, Malinda, McLean SL,

Navels Early to Late: Addo Early, Sunrise Early, Red Lina, (Rosalina Red early navel), EDP closed Navel, Caloma, Lazy Boy,

Mandarins early to late: Clemensoon, Florida C4-15-19, Florida 900, Tasty 1, Florida 411, Tanor Late sl.

Grapefruit/Pomelo: Florida 914Low Furancoumarin sweet red GFHybrid, Florida 512, FI.519, FI.992, FI.995.

Lemons: 3 FL. high rind oil Lemons, CBS tolerance trial, Willowtree Long.

Our Objective? To find new cultivars within these majority groups which revitalise demand by constant improvement and innovation.

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	Date of Resignation
CGA	Phillip Dempsey chairperson)	2012/11/20	
Donors (Citrus Industry Trust)	Alex Sithole (vice-chairperson)	2015/05/06	
CGA	Cornel van der Merwe	2015/03/12	
CGA	Andrew Muller	2017/03/09	2018/03/22
CGA	Marius Bester	2017/03/09	
CGA	Bennet Malungane	2018/03/22	
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
2018/09/25	Board Meeting	Bennet Malungane
2019/03/26	Board Meeting	Bennet Malungane

The eleventh annual general meeting of the Citrus Academy was held at Citrus Research International, 2 Baker Street, Nelspruit on Wednesday, the 26th of September 2018.

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.

Further income is earned from delivering regional short courses.

In the 2018/19 financial year the Citrus Academy reported a surplus of R276,764.

Citrus Academy Bursary Fund

Citrus Academy 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 Bursary Fund is going along steadily, as it has for the past few years. Both student numbers and the amount allocated to bursaries has remained reasonably steady. In the last two years we have allocated more bursaries in the BEE Bursary Support category, while also adding engineering degrees to the under-and postgrad study fields we support. Underfunding of the Bursary Fund remains a concern, especially in terms of providing support to postgraduate students involved in research.

The results of the Bursary Fund remain impressive. Of the students that have graduated with the support of the Bursary Fund, more than two thirds are employed in the citrus industry, academia and government departments, with more than half of them employed in the citrus industry. This achieves the main aims of the Bursary Fund.

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

The Citrus Industry Trust and the AgriSETA are the major sources of bursary funding. During the last few years we have however seen a pleasing increase in the support we receive from companies within the industry. We appreciated their continued support.

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 were as follows:

Category	Students:	2018	2019
Vacation work		4	*
Internships		6	4
Graduate placements		2	1
Industry exposure programme		38	*

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 2018, the Citrus Academy took part in the Agri-Food and General Career Fair at the University of Pretoria and the University of Mpumalanga Career Fair in May, and the 180731 Icebolethu Career Indaba in July.

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

Year	Postgraduate Support		Undergraduate Support		BEE Bursary Support		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
2006	6	132 000	22	222 100	6	60 000	34	414 100
2007	7	195 000	29	416 710	9	125 240	45	736 950
2008	10	248 000	33	385 477	9	41 226	52	674 703
2009	9	347 237	27	569 114			36	916 351
2010	8	277 528	40	818 543	8	121 433	56	1 217 504
2011	11	479 467	30	718 919	10	147 789	51	1 346 175
2012	13	580 340	27	569 676	21	296 380	61	1 446 396
2013	12	505 500	30	625 423	20	241 788	62	1 372 711
2014	18	822 034	31	805 213	15	156 031	64	1 783 278
2015	22	1 206 400	24	487 602	23	317 864	69	2 011 866
2016	19	822 930	25	630 494	20	307 597	64	1 761 021
2017	15	860 600	16	409 986	24	487 800	55	1 758 386
2018	20	1 159 500	28	796 135	25	499 570	73	2 455 205
2019	23	1 402 276	30	862 500	25	583 500	78	2 848 276
Total	193	9 038 812	392	7 455 392	215	3 386 218	800	20 742 922

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 2018, the Citrus Academy entered into an agreement with Villa Academy to upgrade and adapt their Citrus Production Course, forming it into the Citrus Production Short Course. The Citrus Academy secured the copyright to the learning material, and obtained the right to present the short course in the citrus production regions. The course has been successful. Eight workshops were held up to the end of the year under review, in Fort Beaufort, the Sundays River Valley, Stellenbosch, Hoedspruit and Letsitele. 213 people attended these eight workshops. Workshops will continue up until August, and will resume in October 2019. Furthermore, we are planning to add a Citrus Packhouse short course and a Citrus Export Supply Chain short course that will roll out before the end of 2019.

Learning Media

In the year under review, an audio-visual series on Safe handling of Agrochemicals was developed, and a module on Citrus Rootstocks was added to the series on Citrus Propagation. All Citrus Academy audio-visual material is made available at no cost to members of the CGA on DVD, and can also be found on the Citrus Academy YouTube channel. Audio-visual modules are also now available for download from the Citrus Resource Warehouse.

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.

** 2019 academic year not completed at time of report*



Citrus Growers' Association

(back row) Faisal Asmal, Justin Chadwick, Mitchell Brooke, Robert Miller, John Edmonds, Paul Hardman.
(front row) Gloria Weare, Rauff Dawood, Portia Magwaza, Liane Esch, Shelly Crosson
Absent: Deon Joubert.



Citrus Academy

Candice Burgin, Bets de Flamingh, Angela Phillips, Londiwe Ngcobo, Jacomien de Klerk, Sive Silo, Desiree Schonken, Nonhle Mbhele.



CGA Grower Development Company

(left to right) Awonke Mazzi, Lukhanyo Nkombisa, Andrew Mbedzi, Tebogo Ramodisa, Yolanda Ntlakaza, Camille Khoza, Mathapelo Mello, Melton Mulaudzi.

Transformation

Lukhanyo Nkombisa, General Manager



As always, each year comes with its own set of challenges and as the CGA Grower Development Company (CGA-GDC) we are not immune to the socio-economic situation in

which we are currently operating. However, with that said, we were still able to deliver to our growers. We continue to ensure that they grow together and participate in the value chain. The CGA-GDC continues to align all our activities with the needs of our growers to ensure that they run profitable and sustainable citrus enterprises.

The challenges faced by our growers vary from land ownership, access to funding, adequate infrastructure on and off farm, climate change and water, skills gap and compliance. The CGA-GDC strives to ensure that we respond to these challenges through partnerships and engagements with relevant stakeholders to enable success in the farming environment.

With limited capacity and resources in the year under review, we have managed to accomplish a number of support measures required by our growers by following advice from our Board of Directors, the CGA, Citrus Academy and Citrus Development Chamber.

I would like to thank all partners from the

Government, private companies and State Owned Enterprises who saw the need to collaborate with us and provide support to our growers. We are grateful for the financial resources and skills training we received.

As highlighted by the NDP, we all need to acknowledge that transformation is a challenging and long-term project. It is therefore critical for us to understand what transformation means to our Citrus Industry, and whether or not we are all on the same page in regards to the transformation agenda for the industry and agricultural sector. The CGA group of companies and commercial citrus growers all believe that growing the future together will result in a transformed Citrus sector.

The contribution by commercial citrus growers, working together with our black citrus growers, is really commendable. The shared knowledge and resources in terms of packing facilities, and joint ventures that yielded positive export markets for our industry is a milestone that must be applauded.

Also, we have observed our growers involving their sons and daughters in their businesses as part of their succession strategy - this is one of the highlights when it comes to the future growers of our industry, and most importantly youth in citrus. It takes a passion and interest for a young person to be involved in the agricultural business. Not all young graduates in agriculture are interested in farming, but many are interested in working in agribusiness and government departments. To see youth interested in taking up their fathers' business is very encouraging and it shows that there is a future for our country, especially in this sector.

Technical Production Support Programmes

An individual or face to face meeting is probably the most commonly used extension method in developed and developing countries. The extension agent will meet the farmer at the farm and discuss issues of mutual

interest, providing the farmer with information and advice. The GDC technical production support starts from there, in order to build a relationship that will enable the learning environment and transfer of technical and production skills.

Holding a Study Group or Technological Transfer Group allows other growers to share their experiences, and includes farm site visits. The Pest/production Management workshops, the Packhouse workshops, Citrus Postharvest workshop and Information days form part of skills transfer and information sharing, highlighting other farming methods that a grower can use to improve yield, and also manage pests that might be problematic in the orchards.

Information Days - Four Information Days were held during the 2018/2019 financial year. A total of 402 people attended these sessions. The following provinces hosted the Information Days:

- KwaZulu-Natal,
- Eastern Cape (Grower Day),
- Limpopo (Citrus Field Day) and
- North West

One on One Farm Visits - A total of 139 farm visits were undertaken by the extension officers. The purpose of the one on one with the farmers was to assist them in sorting out their citrus production and marketing challenges in their respective farming areas.

New Entrant Support

The following are the new entrant farmers who were assisted by the extension officers during 2018/2019 season:

- Yoke & Cut Make and Trim Primary Cooperative
- Ingwe Estates
- Craighead Farm
- Sandile Radebe Farm
- Bulasi Ya Afrika

- Temo Ya Tihabane
- Gubrah Farm
- Love Day Farm
- Stofile Farm
- Khathu Mashau farm
- Sebothoma Farm
- Cullinan Farm

The current total number of black growers is 145 with orchards totalling 8 103ha. Out of these 145, 68 of them are exporting citrus fruit.

Business Support Programmes

Although most of the black citrus farmers are very good when it comes to primary production on the farm, some struggle to apply good agribusiness in their enterprises, especially when it comes to business skills, market skills and compliance with labour legislation and accreditations. It becomes very difficult for the new entrant to the industry to understand everything that needs to be in place in the farming enterprise.

In the year under review, our business support unit was very active in ensuring that the growers were accredited to SIZA, Global Gap and SA Gap (for those who market their fruit locally). For the new entrant in the industry, a short course on Introduction to Citrus Business Management was offered to the growers by the Citrus Academy. The business support unit also assisted growers around issues of governance on the farm.

One of the support measures that is being provided is around the review of business plans and new business plans for new entrants to the industry. This has been an important programme as most of the growers have old business plans that could not assist them in sourcing funding for their enterprises. Those who struggle with lease agreements from rural development and land reform also need a sound business plan in place.

Access to Funding

In addition to the 20% transformation funding received from the statutory levy administered by the CGA, the GDC also looks for funding for enterprise development and other programmes to be able to provide support to the growers.

In the year under review, partners from government and other stakeholders continued to lend support to the growers. The Eastern Cape Department of Agriculture continues to support growers in the province with funding in the year 2018/19 for expansion, infrastructure, inputs and mechanisation. They assisted three growers with a packhouse facility with very high tech machinery to the value of R54 million. These three growers have been farming for more than 25 years using the old Packhouse as a packing facility. Now they have formed a Co-operative that will run the new state of the art packhouse, many thanks again to the Provincial Department of Agriculture Eastern Cape.

Our new stakeholder Coca-Cola's Minthiro programme also funded the GDC in the tune of R1 million on the capacity and skills development programme. The fund was also used for the short course on Introduction to Citrus Industry Business Management.

Communication

On the communication front, the GDC continues to communicate with all growers and stakeholders through quarterly Newsletters, where we showcase all the work we are doing and progress made around grower development. In addition, in columns in the national and local newspapers, the GDC was visible commenting and remarking on issues that face the sector.

The Technical Production Support unit also communicates with all growers with regard to issues around technical support meetings, study groups and opportunities that are available for growers.

Administration and Financial Management

The CGA GDC Board of Directors are Mono Mashaba (Chairman), Ronald Ramabulana, Laurence Mgadle, Mankili Thompson and Andrew Muller (CGA Board representative).

In terms of the overall administration of the GDC the company performed well due to their Board of Directors providing the necessary leadership over the company management. The Board was strengthened by the appointment of Mr Ronald Ramabulana, the former CEO of the NAMC. His experience and expertise has certainly added value to the work of the Company.

With regard to Human Resources, the Group HR Consultant played a major role assisting the GM in guiding policies and procedures. This specialist also assisted in ensuring compliance with the Department of Labour with regard to reports that needed to be submitted, and advising on any changes with regard to labour legislation.

The Finance and Risk Review Committee played a major role in providing support to the staff and guidance in terms of managing all risks faced by the company.

Conclusion

As always, it was not an easy year. However, with the support of the GDC's dedicated team the company has achieved a lot in partnership with our stakeholders.

The GDC believes that if growers are happy with the services that we provide in collaboration with our stakeholders, this will boost their confidence and assist in growing their businesses successfully.

As the GDC staff, we will continue to count on your unwavering support and commitment to ensure that we grow the future of the Citrus Industry together.

Jobs Fund Application

The Jobs Fund sent out a call for applications in the agricultural sector. CGA made an application based on orchard establishment and packhouse capacity development in the black grower sector. The application was prepared and perfected by a team led by Jacomien de Klerk (Citrus Academy),

Richard Bates (consultant), Robert Miller (CGA) and Lukhanyo Nkombisa (CGA-GDC). This team had to meet strict Jobs Fund deadlines, and develop a project proposal in a short time. Many different options were interrogated, before finalizing the application. The application is based on a blended financing approach – with grant and loan funding sourced from Jobs Fund, loan funding from Land Bank and grant funding from

Department of Agriculture, Eastern Cape Department Rural Development and Agrarian Reform, AgriSETA and citrus growers (through the levy administered by CGA).

The final application is for three years with funding amounting to approximately R320 million. By year end the CGA application had passed the Jobs Fund Technical Committee. The next step is the Jobs Fund Investment Committee.

Citrus Growers Development Chamber (CGDC)

The CGDC is responsible for assisting emerging growers and addressing any concerns or needs they may have. The Chamber is a committee of the CGA Board. The Chamber meets twice year. Members of the Chamber are as follows:

Eastern Cape

Name	Area
1. Eric Nohamba	Amathole KAT River
2. Lawrence Mgdle	Amathole Peddie
3. Luyanda Kutta	Amathole Great kei
4. Khaya Brian Katoo	Sarah Baartman Patensie
5. Siseko Maqoma	Amathole KAT River
6. January Simphiwe Yawa	Sarah Baartman SRV

Limpopo

Name	Area
1. Ntamiseni Thompson Mankhili	Vhembe District
2. Bennet Sdumo Malungane	Mopani District
3. Octavias Masalesa	Waterberg District
4. Pheladi Tlomatsane	Capricorn District
5. Walter Tshianeo Mathidi	Vhembe District

Mpumalanga

Name	Area
1. Olivia Dikeledi Selowe	Ehlanzeni District
2. Petros Eric Shiba	Gert Sibande District
3. Hlulekile Phonela Yoce	Ehlanzeni District
5. Simona Tiisang Selowe	Ehlanzeni District

KwaZulu-Natal

Name	Area
1. Mziwoxolo Makhanya	Uthungulu KZN Nkweleni

North West

Name	Area
1. Louisa Maloka-Mogotsi	North West Province

Gauteng

Name	Area
1. Motsile Joel Matlou	Gauteng Province

The CGDC Executive Committee is elected by the Chamber. In 2018/2019, the Executive has held 4 meetings. The meetings were held on 23 April 2018, 2 August 2018, 29 October 2018 and 12 March 2019.

Mziwoxolo Makhanya (Chairperson)	
Ntamiseni Mankhili (Vice Chairperson)	
Luyanda Kutta	Lukhanyo Nkombisa
Eric Nohamba	Justin Chadwick
Bennet Malungane	Jacomien de Klerk
Lawrence Mgdle	

Additional Members to Exec

Monodowafa Mashaba

Sive Silo (Citrus Academy) has been contracted by CGA to act as secretariat for the Chamber.

The CGA Transformation Budget covered the cost of all Chamber members to attend the Citrus Summit and so benefit from the information available and the chance to network.

Rob Ellick



In 2018/19 the RBX Group had its most successful year ever. Not only have the financial results finally shown the dividends of many years of hard work by a

large number of people, but the operational and delivery results throughout the group were also at record levels.

The year did not however proceed smoothly all the time, and there was some significant disruption in the Executive Committee. Early in the year Sample Groenewald, the previous General Manager of X-SIT, and then COO of the RBX Group, resigned to allow him to focus on his farming and other entrepreneurial ventures. We can only thank Sample for the huge contribution he made to the citrus industry and the SIT project itself during some extremely difficult years, and wish him well for the future. Clint Lawson, who had only recently joined the Group to focus on Marketing and Sales, got an opportunity to work in his home town and significantly reduce his travel schedule, so he left the company around the same time.

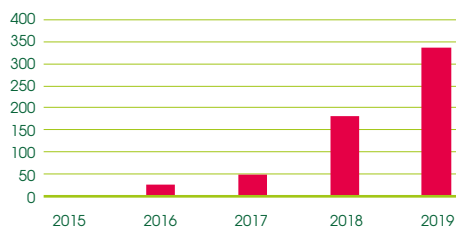
With change comes opportunity and although it is very difficult for a Group to lose years of experience, a fresh perspective often, to some degree, makes up for this. This has never been more true than in the case of Theunis Lombard, previously the Eastern Cape X-SIT manager, who took over as COO for the group. Through his training, experience and character Theunis has brought a stability to X-SIT at a time when it needed it the most. His steady hand and commitment to excellence in all he does has been a large part of the difference between success and failure for the SIT programme in a make or break year.

A replacement for Clint Lawson proved extremely difficult to finalise and only in the second half of the year did Johan Vorster join the Group. Johan's crop protection experience and first-hand involvement in the distribution network in South Africa as an agent has brought the RBX team invaluable insight as we strengthen our position to be able to manage the number, volume and diversity of products that River Bioscience has in its short and medium term forward planning.

Despite these changes the Executive Committee grew as a cohesive force during the year and with the interaction and guidance from a Board of Directors that did not change during the year, went from strength to strength.

River Bioscience

Cumulative Turnover Growth Percentage



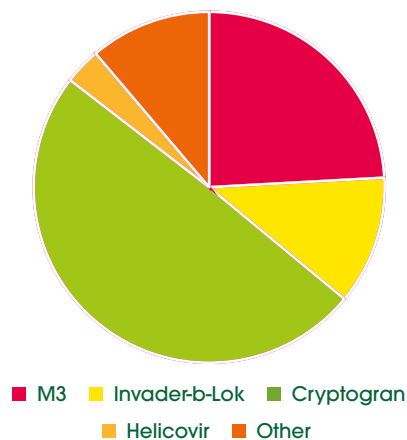
As per the graph, using the turnover in the 2015 financial year as a base, River Bioscience has increased its turnover by almost 340% in the last four years. This is the result of many years of work by a large number of people throughout the CGA Group as one considers the number of activities and length of time it takes to get a crop protection product through research, trial, registration and finally commercialisation.

This turnover growth has also been accompanied with diversification in products that reduces the risk profile of the company. Taking the above into account and considering the pie charts opposite, Cryptogran has never made such large sales as in the last few seasons and has grown in turnover by 140% since the 2014/15 season. At the same time it has come down from making up 50% of the sales in 2015 to now only being 27% of the total sales.

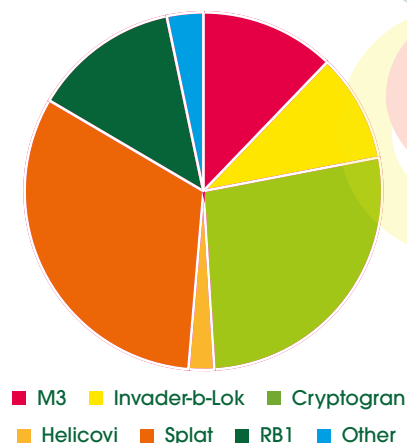
SPLAT FCM almost doubled its volume from last season and RB1 in its first full year of commercialisation outstripped all expectations. The feedback on the efficacy of both these new offerings has been extremely positive.

The length of time taken for our current portfolio to get to the market highlights the need for a focus on keeping the pipeline filled. The Business Development Department has never before had as many projects in the process of commercialisation as they do at the moment and that gives every opportunity for further growth of River Bioscience in the future.

2014 2015 Season



2018 2019 Season



X Sterile Insect Technique

X-SIT has never consistently produced so many moths for a complete season. With the introduction of the new COO and the arrival of Chesne Geldenhuys as the factory manager for the Citrusdal facility they introduced a focus on process, procedure, measurement and quality that has broken all records for moth rearing and set the base for consistent production in the future.

The sheer number of moths available made delivery in the valleys consistent. Along with the use of the R22 helicopters in all areas this resulted in the sterile recaptures and huge ratios of Sterile to Wild being records. Rearing live insects and at the same time trying to fine tune a month-long production process to be as commercially viable as possible has shown that you can never assume that you have this process beaten. Challenges will always be there but never have the X-SIT team had so much reliable information, set benchmarks, recorded processes and tested inputs as they do now to enable them to take on these challenges.

After a challenging previous financial year X-SIT returned to a breakeven situation in the current year and with the option to further grow hectares and synergistic services there is a fruitful future for the company.

Message from the RBX board

The board of the RBX group are very proud of the excellent "Balanced Scorecard of Results" achieved by the RBX team – extremely capably led by Rob Elfick – for 2018-19.

The impact of RBX activities are felt in many spheres of the fresh produce industry in South Africa and very much so by our shareholders and stakeholders in the citrus industry where a recent calculation of the direct and indirect (strategic) dividends showed the contribution tabled below to the Citrus industry, since the inception of RB and XSIT.

Real Dividends

Total royalties to group companies	R 10 133 035
Total dividends to shareholder	R 3 000 420
RB internal research	R 7 630 435
Xsit internal research	R 26 746 226

Strategic Dividend

Cryptogran vs competing virus products	R 9 787 423
Splat FCM vs competing mating disruption products	R 10 959 480
SIT vs competing mating disruption products	R 115 655 729
RB1 vs competing black spot products	R 16 608 751

Total Real & Strategic Dividend

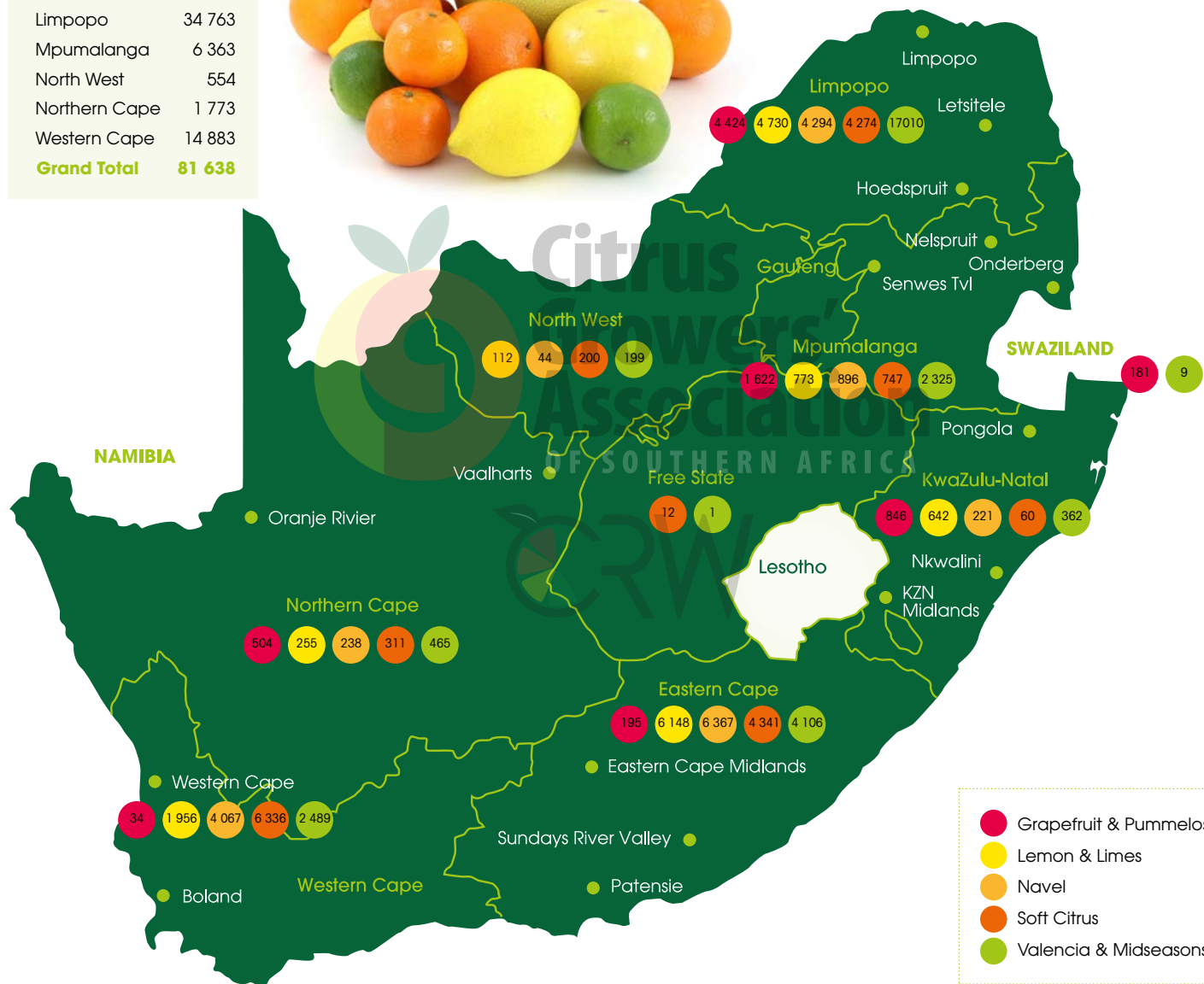
R 200 521 501

Citrus Producing Regions

Province Area	(ha)
Eastern Cape	21 157
Free State	13
KZN	2 131
Limpopo	34 763
Mpumalanga	6 363
North West	554
Northern Cape	1 773
Western Cape	14 883
Grand Total	81 638



ZIMBABWE



Abridged Financial Statements

	Actual 2017/18	Budget 2018/19	Actual 2018/19	Budget 2019/20
Income	82 520 982	91 610 000	97 594 944	98 420 000
RSA Levy	80 106 378	81 550 000	91 640 397	87 120 000
Swaziland / Zimbabwe Levy	1 446 919	1 960 000	1 732 221	1 200 000
CBS Provision (Drawn from reserves)		5 200 000		7 000 000
Net Property Income	53 777		62 398	
Interest	503 550	600 000	888 758	800 000
Dividends Received - River Bioscience / XSIT	300 042	2 300 000	300 042	2 300 000
Citrus Summit Income			2 479 638	
Other Income	110 316		491 490	
Expenditure	74 826 671	91 539 565	89 547 363	98 046 075
Staff Costs	6 148 175	6 426 515	6 384 029	6 927 375
Travel & Accommodation	457 846	340 000	298 746	341 000
Office - Rent & Equipment	57 769	250 000	249 881	380 000
Office Expenses	715 487	530 000	580 250	570 000
Board Expenses	457 960	750 050	669 281	804 950
Services (Accounting, Legal & Insurance)	266 211	510 000	365 951	680 000
Subscriptions	226 306	1 562 000	322 981	784 000
Communication	217 603	198 000	362 152	815 000
Market Access	3 159 436	3 651 000	2 340 791	2 850 000
Market Access - CBS	4 085 514	7 550 000	4 193 490	7 170 000
Fruit South Africa			960 359	1 400 000
Research Programmes - Citrus Research International	43 710 974	48 685 000	48 685 000	52 092 950
Research: CRT Bond				500 000
Transformation - CGA	197 682	2 000 000	2 338 341	2 276 800
Transformation - CGA Grower Development Company	8 000 000	10 700 000	10 700 000	11 500 000
Transformation - Citrus Academy	4 000 000	4 300 000	4 300 000	4 600 000
Depreciation	112 098	120 000	102 466	120 000
Information	733 373	1 391 000	486 473	600 000
Citrus Summit Expenses			2 479 638	
Regional Capacity	234 306	200 000	216 726	200 000
Provision for doubtful debts	(66 153)		(247 352)	
Leave Pay Provision	69 422		65 458	
Impairment of Loan - CGA Cultivar Company (Pty) Ltd	933 751		1 100 000	
Impairment of Loan - Citrus Academy	(296 537)		(236 250)	
Infrastructure & Logistics	1 393 509	1 926 000	1 636 567	2 739 000
Market Research			532 172	600 000
Market Development	11 939	400 000	642 057	45 000
General		50 000	18 156	50 000
NET SURPLUS / (LOSS) FOR YEAR	7 694 311	70 435	8 047 581	373 925

