



Supporting citrus growers to be globally competitive

OUR MISSION

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

STRATEGIC OBJECTIVES

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

Citrus Growers Association of Southern Africa

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CHAIRMAN'S REPORT

BEN VORSTER

*Lockdown – what does this mean?
Hopefully this is a once in a lifetime
experience for all of us! It is certainly the
one event that makes all of us worried*

about the future and how it will play out.

If we reflect on the last year – 1 April 2019 to 31 March 2020, a lot has happened in our industry of which we can be proud.

Certainly, we have a lot of challenges and we are unsure about many issues, but our citrus industry still thrives; getting stronger each year. Challenges – whether it was labour, drought or extreme weather conditions that had a negative effect on production – but our industry grew even bigger and stronger.

One question is asked every year...

"Where and how are we going to sell all of this fruit?"

This is where we, as the Citrus Growers Association of Southern Africa and our growers, stand out head and shoulders above all other citrus growing countries. We are united as an industry with responsible growers a lot of other countries could only wish for.

In October 2019, the CGA Directors and team identified many obstacles at a Strategic Planning Workshop and everybody got down to work through the problems.

The strategic objective of the CGA first and foremost is to gain, retain and optimise market access. We have maintained all the fruit our buyers want in our current markets. Then the big responsibility came to open more markets, which we are doing on an annual basis. With this in mind, the big question was –

"Will our ports be in a position to handle such a big crop?"

2019 showed that much improvement was needed within the management of the port infrastructure. No-one wants another year such as this previous season with all the port issues. Meetings were held with the relevant Ministers and Port Management to ensure that all logistical shortfalls receive the necessary attention.

A first for South Africa during the year under review was the formation of the new World Citrus Organisation (WCO) which was initiated by the CGA and launched at Fruit Logistica in Berlin in February 2020. Ailimpo from Spain and the CGA joined forces to form this association which will promote citrus as its main focus and share helpful information around the world on estimates and projections. Hopefully this will help to improve the relationships between South Africa and various other countries so as not to see each other as a threat to their citrus industries.

Our industry has Transformation high on our agenda. This year we laid the groundwork for the Jobs Fund project, a project whose funds will be used solely for the development and growth of black citrus growers - underway by mid-2020.

We are all aware of how our requirements have grown over the past few years, and Citrus Research International (CRI) knew that in order to keep abreast and indeed ahead of world class citrus research, further finance would be necessary. The CRI therefore drafted a very detailed document outlining all the research requirements necessary to fully serve the industry. At the CGA Roadshows during February 2020, the new Levy for the period 2021 to 2025 was discussed with growers who attended. The growers were asked to complete a referendum to show support for the requested levy increase. We were very happy with the voting results which showed a huge majority in favour of the increase – a sign of the trust our growers place in us to lead the way forward in the future of our industry.

The past two years I have been very privileged to serve as CGA Chairman. I want to thank each and every one of you for your loyal support and trust in me. I can honestly say that we have great people and great leaders working together with one goal – to make our citrus industry even stronger.

I put all my trust in our new Chairman, Cornel van der Merwe, and the other directors. I am confident that we will reach even greater heights. To Justin and his team, thank you for your loyal support and good work. All the best to my fellow growers and stakeholders in the citrus industry. Stay safe.





CEO'S REPORT

JUSTIN CHADWICK

"Resilient" - A word often used to describe the citrus industry in southern Africa.

"Being able to withstand or recover quickly from difficult conditions".

When asking Google if resilience is a good thing – the following response is elicited - *"In sum, there is no doubt that **resilience** is a useful and highly adaptive trait, especially in the face of traumatic events. However, when taken too far, it may focus individuals on impossible goals and make them unnecessarily tolerant of unpleasant or counterproductive circumstances."*

I wonder at times if the southern African citrus industry is not too tolerant of counterproductive circumstances. A perfect example is the continued phytosanitary requirements of some trading partners. Despite overwhelming evidence that these measures are without merit and unnecessary, the southern African citrus industry continues to spend considerable time and money to remain compliant. The exemplary track record that South Africa, Zimbabwe and Eswatini have in terms of their phytosanitary compliance is testament to the huge investment in research, the adoption of research results and the adaption to meet requirements. The industry needs to resolve many outstanding market access issues so as to grow markets in line with the anticipated increase in supply volumes. This cannot be done alone – the relevant government departments need to be capacitated with competent officials, and together we need to be agile, aggressive and assertive in our bilateral discussions. Compliance cannot be the only remedy – unfair market access requirements need to be challenged.

2019 will be remembered as a year when the industry took a breather – with a drop off in export volumes after years of sustained growth. Climatic factors played a role in this reduction, as did logistics challenges. To return to the upward trajectory in export volumes, South Africa is going to need to improve its logistics capabilities. Large on-farm and packhouse

investment need to be matched by state investment in roads, rail and ports. Durban port runs the risk of losing its position as the gateway to southern Africa – with investments elsewhere improving the efficiency and accessibility of other ports in the region. The citrus industry will continue to work with logistics partners and government to turn the situation around.

Citrus production, packing and distribution is both technology and capital intensive. This serves as a challenge to new players in the industry. The CGA, Citrus Academy and CGA Grower Development Company provides support to these new growers, breaking down the obstacles to profitability and sustainability. Technical experts provide extension services, business analysts assist with business plans and advice, while new projects are explored to provide easier access to funding. Training courses and workshops have been introduced. The CGA is committed to developing new entrants into the industry.

Grower support for the CGA was reinforced in a levy referendum conducted towards the end of the year under review. Faced with ever increasing research and technological needs, growers have decided to substantially increase their investment in research and transformation. Well in excess of ninety percent of respondents voted for the CGA Board motivated levy increase. This will now go through the necessary process for government approval and gazetting.

Fruit Logistica in February 2020 was a harbinger of times to come – the hall hosting Chinese companies was eerily empty as they were not allowed to travel. By end of March the impact of the COVID-19 pandemic was becoming evident back home as South Africa entered total lockdown. This raises many uncertainties for 2021.





ADMINISTRATION

GLORIA WEARE

Governance

During the year under review (1st April 2019 to 31st March 2020) the CGA was governed by a Board of 23 Directors.

Although there are 16 citrus growing regions, the three largest are represented by two directors each. Apart from these 19 regional directors, the CGA has a Director of Government Relations and a Director who heads up the Finance and Risk Review Committee. There are also two directors who represent Emerging Farmers, one in the North and one in the South of the country.

During the year under review the Board decided to add a further region. Burgersfort/Ohrigstad was added as the sixteenth region, with a new Director taking up office during the 2019/20 year.

The Board of Directors meet twice a year – once in March to approve the Budget, and in late August or early September when the AGMs of the CGA group of companies are also held. If it is deemed necessary, a third meeting may be held. In recent years a Strategic Planning Workshop has been held every year at the end of the citrus season.

The present Chairman, Ben Vorster, will step down as Chairman and take up a position of outgoing Vice-Chairman for a two-year period at the end of this financial year. The incoming Vice Chairman, Cornel van der Merwe, will take over as Chairman from April 2020. There are three other Executive Directors who, together with the Chairman and vice chairman, hold regular meetings with the CEO.

To ensure continuity, each regional director is expected to serve a two-year term of office. After this time, the constituents are requested to nominate and elect their choice of representative for the next two-year period. Directors can be re-elected as often as their growers wish. There are a number

of directors who have been representing their region for ten years or more – namely Per Noddeboe (Swaziland – e-Swatini), George Hall (Boland), Jock Danckwerts (E Cape Midlands), Mike Woodburn (KZN), Fanie Meyer (Hoedspruit), Phillip Dempsey (Patensie) and Pieter Nortje (SR Valley). These directors are congratulated for their commitment to their growers and the CGA.

The regional directors play a very important role in the communication between the citrus growers and the Board, as any concerns, complaints, compliments or comments can be discussed at Board level through this channel. As the growers are the members of CGA, they are welcome to contact either the Chairman, the CEO or the relevant CGA staff member at any time with any observations or concerns they may have.

The NAMC (National Agricultural Marketing Council) is the Government body responsible for the statutory levy process. The NAMC have observer status on the CGA Board.

Resignations during the year under review

Pieter Nortje (SR Valley), Fanie Meyer (Hoedspruit).

New appointments during the year under review

Smit le Roux (Burgersfort/Ohrigstad)

Dr Hennie Ehlers (SR Valley) and Tommie Landman (Hoedspruit) have been elected to represent their respective regions as from 1st April 2020.

Dates of Board Meetings from April 2019 to March 2020

12/13th September 2019: Birchwood Hotel, Jhb.

Apologies: Fanie Meyer, Gerrit van der Merwe, Jock Danckwerts, Per Noddeboe, Marius Bester, Jan Louis Pretorius and Pieter Nortje.

24th/25th March 2020: Due to the COVID-19 Pandemic, this Board Meeting was postponed. A Zoom Meeting is to be held on 9th April 2020, primarily to discuss and approve the Budget, and to deal with other urgent matters.





Executive Committee

Ben Vorster – Chairman

Pieter Nortje – Vice Chairman

Cornel van der Merwe – Vice Chairman

George Hall

Fanie Meyer – for first portion of the year

Hannes de Waal – for final portion of the year

On behalf of the citrus industry we would like to give grateful thanks to the regional directors for the time and effort they freely give in order to attend Board Meetings and Strategic Planning Workshops, as well as participating in the bi-annual Summits and Roadshows.

Long Service Award

During the period under review two members of the CGA staff attained 20 years' service and one achieved 10 years.

Mitchell Brooke, the CGA's Logistics Development Manager reached 10 years' service in April 2019.

Justin Chadwick, our CEO, was appointed in October 1999 so attained his 20 years at the helm in October 2019. His achievement was celebrated at a dinner with the CGA Board.

Gloria Weare joined the CGA in January 2000 as the Personal Assistant to the CEO, reaching her 20 years in January 2020.

COMMUNICATION

Roadshows

During February 2020, the CGA held the bi-annual Roadshows around all the citrus growing regions of South Africa, Zimbabwe and eSwatini (formerly known as Swaziland).

The teams were split into two groups to cover all 16 regions (including the new Burgersfort/Ohrigstad region) in two weeks:

In Week One, Justin Chadwick was accompanied by Jacomien de Klerk (Citrus Academy), Jon Roberts (CGA Cultivar Company), Sean Moore (CRI), John Vorster (RB/Xsit) and Lukhanyo Nkombisa (Grower Development Company). They visited Nelspruit (including Onderberg growers), Burgersfort/Ohrigstad, eSwatini and Nkwalini, KZN.

During the same week Paul Hardman travelled to Limpopo River (including Zimbabwe growers), Letsitele, Hoedspruit and Senwes with Deon Joubert (CGA), Vaughan Hattingh (CRI), Rob Elfick (RB/Xsit), Sive Silo (CA) and Andrew Mbedzi (CGA GDC). Piet Smit (Chairman of CRI joined the group for some of the meetings)

Week Two saw Justin and team visiting the Eastern Cape, starting in Fort Beaufort (E Cape Midlands), and then heading on to the Sundays River Valley and Patensie. Piet Smit accompanied the group.

At this time Paul and his team presented at Kakamas (Oranje Rivier), Citrusdal (W Cape) and Ashton (Boland).

Thanks go to the sponsors – Farming & Security Solutions (Burgersfort), Nedbank (all three venues in E Cape), River Bioscience (Letsitele), Inteligro (Limpopo, Nkwalini and Orange River), Noordchem (Nelspruit), Loskop ICT (Senwes) and Wenkem (W Cape). Their sponsorship paid towards the refreshments after the events which gives everyone a chance to mingle and network.



The presentations covered;

- an introduction by the region's Director updating growers on the responsibilities of the CGA and the way forward;
- ten minutes by each CGA Group company to highlight their recent achievements;
- to inform growers of the Levy Proposal for the next four-year period.

The presentations were posted on the CGA website once the roadshows had been completed.

More than 530 delegates attended the Roadshows.

From the Desk of the CEO

The weekly Friday Newsletter is the industry's quickest point of reference for anything of importance or interest within the citrus industry. Anyone, not just citrus growers, can be added to the mailing list on request.

justchad_cga is the CEO's Twitter handle. He has a following of over 1 800 followers

www.cga.co.za

The CGA's website has Open Pages which are available to anyone looking for general information on citrus. The Member section is password protected and we currently have more than 760 individuals who avail themselves of the information posted here for registered growers and export agents. The Current Affairs home page notes the new articles that have been posted so members know when to access the secure section for the latest information covering export figures, DALRRD news, market access reports and food safety information to name a few.

CMF (Citrus Marketing Forum)

The CGA and FPEF (Fresh Produce Exporters Forum) jointly run the CMF. Two or three meetings take place each year – one pre-season, one post-season and one mid- season if deemed necessary.

All growers and export agents are automatically eligible to attend these meetings and are included in any correspondence.

Other interested parties such as logistics, suppliers and other supply chain stakeholders can join for an annual fee by contacting info@cga.co.za.

CGA Comms Tool

This means of communication allows the CGA to contact all citrus growers at any time and with various notices depending on the grower's needs. All the variety groups are separate, grower regions, interest groups such as Market Access, Russia, Logistics. As with any means of communication it needs to be kept up to date so we ask that growers, export agents and stakeholders please ensure that we have your correct contact details, most importantly your email address and contact person. We have a growing list of new citrus farmers who have been included in our database which means they are privy to information on rules, regulations and relevant information on the process involved leading up to exporting their fruit.

We obviously also need to be kept up to date on our grower members' postal addresses in order to post hard copies of the Annual Report, Statistics Book and bi-monthly SA Fruit Journal.

SA Fruit Journal

This bi-monthly journal is sent out to all growers of export citrus, members of FPEF, Hortgro and SA Table Grapes free of charge. The Journal is undergoing a facelift and citrus growers are encouraged to send feedback on layout and content to editor@safj.co.za.



REPRESENTATION

The CGA is represented on various boards and committees to ensure complete transparency. These representatives feed the relevant information back to the CGA Board. Office bearers during the period April 2019 to March 2020 were:

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

AgriHub: John Edmonds

BI Steering Committee: Vaughan Hattingh

CBS and FCM Disaster Management Committee: Deon Joubert, 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.

CGA Communication Committee: Jan Louis Pretorius, Deon Joubert, Justin Chadwick

CGA Cultivar Company (CGA CC): Barend Vorster, George Hall, Guy Whitaker, Siseko Maqoma

Citrus Academy (CA): Phillip Dempsey, Marius Bester, Cornel van der Merwe, Bennet Malungane

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

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

Citrus Improvement Scheme (CIS): Jock Danckwerts, Paul Hardman

Citrus Industry Trust (CIT): Phillip Dempsey

Citrus Marketing Forum (CMF): Gabriele van Eeden, Cornel van der Merwe, Peter Nicholson

Citrus Research International (CRI): Grower representatives – Hoppie Nel, Piet Smit, Fanie Meyer, Deon Joubert, Edward Vorster, Mike Woodburn

Finance and Risk Review Committee (FRRC): Rajen Govender, Andrew Muller, Hannes de Waal, Mike Woodburn, Jan Louis Pretorius, Phillip Dempsey

FMS Steering Committee: Jan Louis Pretorius

Food Safety Forum/GlobalGap National Technical Work Group/Fruit SA IT Steering Committee: Paul Hardman

Fruit South Africa/SA Fruit Journal/SHAFFE/ATF: Justin Chadwick

HLB Steering Committee: Justin Chadwick, Jock Danckwerts, Cornel van der Merwe

Market Access Committee: Elma Carstens

Perishable Produce Export Control Board (PPECB): Martli Slabbert, Khaya Katoo

River Bioscience/Xsit (RB/XSIT): Jan-Louis Pretorius, Dave Gerber, Piet Smit (Citrusdal), Eric Nohamba

SHAFFE/MRL Workgroup/FSF/IFPS/FSA Harmonisation: Paul Hardman

SIZA: Alana Snyman

SPS/CLAM/CFSC: Vaughan Hattingh

CGA BOARD OF DIRECTORS 2020



Andrew Muller • Nelspruit

Andrew has been involved in the citrus industry since 2000. The past 20 years has taught me that no one year is the same. The demand in the current season is high but the uncertainty with COVID-19 and its influence on logistics, market closure and catering will keep us on our toes. If we can keep the momentum on the Vitamin C wagon going it could be a good year in the circumstances. This will stay in the minds of the consumer and luckily in the minds of the young consumer to give us momentum and a sustainable demand for years to come.



Ben Vorster • Chairman • Letsitele

We as an industry have faced a lot of challenges recently, which we mostly managed to overcome. The citrus growers, government and other stakeholders need to work even more closely together to help our beautiful country. We need to play our part in growing the economy and also ensuring our labour force remains safe. We have great leaders in the industry and I am confident they will bring fresh ideas on how to further grow the sector.



Bennet Malungane • PDI, North

Bennet has been involved in the citrus industry since working at Mabunda Citrus Farm in 1998. Bennet has worked his way up with his experience and knowledge resulting in his representing South Africa farm workers in several scenarios. Bennet is now involved in the Marketing at Mabunda Citrus (Pty) Ltd as well as being their Co-ordinator. He is also Chairperson of the Mopani Citrus Study Group so is well known to the emerging farmers in the north. He has represented emerging farmers in the North on the CGA Board since August 2017.



Charles Rossouw • Senwes

Charles obtained his BSc degree in Construction Management from the University of Pretoria in 1988. Since then he has been involved in numerous property development and building projects across South Africa. With his experience he has been the catalyst for Rosle Boerdery's success. Charles has inexhaustible energy that he diligently pours into the continuous expansion and careful management of the Rosle Group of Companies.



Cornel van der Merwe • Onderberg

2019 was a good season. Some areas had severe drought and production was difficult, but markets held out well for all varieties. For the next season we are once again faced with extreme drought conditions in the north where production will be negatively affected. Our industry is growing fast with soft citrus and lemons leading the growth. Our challenge is increased market access. We have to work closely with government on this. With the spread of the COVID-19 pandemic into Africa, we will have to work very hard on all levels to overcome this challenge. I am confident that the citrus industry will have a successful 2020/21 season.



Eric Nohamba • PDI, South

Eric serves on the CGA board of Directors representing Previously Disadvantaged Growers in the South, and is a member of the Citrus Growers' Development Chamber. He represents his region on the CGA Navel Focus Group. At a local level he is Chairman of the Alice Kat Farmers' Trust. Looking into the future Eric encourages his children to look at agriculture as a sector with opportunities to develop their careers. "It is my dream to expand my farming operation so there are more farming opportunities for them in the future. If they are not interested in the production part of agriculture, the export supply chain also offers many career options that they could consider."





Fanie Meyer • Hoedspruit

Citrus is a most exciting crop because you are working with an evergreen tree where each season is different - never boring, never mundane. The recipe for success is simple: maintain above average yields, get good pack-outs and keep costs under control. If this is coupled with a good production and marketing team the profits will automatically happen. My association with the CGA has been a long (over 10 years) and satisfying experience. The interaction with like-minded individuals from all over Southern Africa (including e-Swazini and Zimbabwe) is unique in the agro-business community. We are in a highly competitive market with other southern hemisphere countries but so far we are holding our own. The threat of losing markets through the lowering of MRLs and loss of strategic agro-chemicals is gathering momentum. The belief that you can produce perfectly clean and unblemished fruit without these tools is flawed. With citrus, the residues are mainly in the peel and not the pulp and to expect that you can attain levels of 0.01ppm (equivalent to one cm. in a 1 000 km) is crazy.



George Hall • Boland

George grew up on a citrus farm in Fort Beaufort, started by his great grandfather, George White, one of the founding members of the Citrus Exchange/Outspan. In 2010 he purchased the family citrus farm in Swellendam and has been a partner in Unipack Fruit since 1997 where he operates as Marketing Director. "The SA citrus industry, with the guidance of the CGA/CRI, have established and proven themselves as formidable global competitors who have become the preferred suppliers to many retailers around the world. This is due to our consistent quality and our capability of adapting to new challenges that get thrown at us. We are going into a cycle where we will have to be on our toes to survive the next ten years."



Gerrit van der Merwe • Western Cape

Gerrit van der Merwe Jnr, matriculated from Rondebosch Boys High School, going on to Stellenbosch University to gain a B Comm degree in 2006 with Honours in Management

Accounting. 2007 - 2008 Gerrit worked for Capespan NA in the USA after which time he returned to SA and joined ALG Estates, making his way up through various positions until he was the Marketing Manager for ALG Marketing. In 2016 Gerrit moved back to the family farm to take over the operation from his father. He is currently Managing Director of the ALG Group. Building a business in Africa has to include creating jobs and uplifting the community. Citrus farming is very labour intensive type and we have to invest in our community. Our empowerment project, Cedar Citrus, was initiated 20 years ago between ALG Estates and 36 members of the Cedar Citrus Workers' Trust and they now own 92 ha of citrus.



Guy Whitaker • Limpopo

Guy was born in Southern Zambia on a tobacco farm in 1957. The family moved to Swaziland in 1970 - 1980. He received a BSc Agric Honours (Horticulture) from Pietermaritzburg University (1977 - 1980) and undertook University vacation work on Tambuti Citrus Estate, Big Bend 1977 - 1979. He worked as Outspan Extension Officer in Tzaneen for 1981 - 1982, moving to Crocodile Valley Estates in Nelspruit from 1983 - 1985. In 1985, Guy started a citrus and subtropical consultancy business, moving into the farming business on the Limpopo in 1992. Limpopo Citrus (Pty) Ltd has been his business since 1997. He has had 43 years of involvement in the southern African citrus industry. "It has been an honour and a privilege to have had the good fortune in life to be part of an ever expanding, highly respected world class industry. May the Southern African Citrus industry continue to build and grow in stature as a leading agricultural entity."



Hannes de Waal • Sundays River Valley

Hannes joined the Citrus Industry – Outspan – in 1996. His years at Capespan brought him a lot of diverse experience for which he is grateful. He joined SRCC as Marketing Director and in the past ten years has seen dynamic growth in the company. Hannes is now Managing Director of SRCC; Chairman of the Sundays River Citrus Producer Forum; Chairman of Venco and a Director of Nelson Mandela Bay Business Chamber. He feels that circumstances have allowed him to serve the SRCC producers, the Sundays River Valley inhabitants and the country in many ways. He is also an Executive Director on the CGA Board. Hannes says the industry has thrived but conditions have also become far more challenging. He is married to Rentia, his daughter is a teacher and his son studies Software Development at NMU.



Jan Louis Pretorius • Letsitele

Jan-Louis was born in 1976 and raised in Johannesburg. He holds an Honours Degree in Marketing (1999) from the University of Johannesburg and a Master's Degree in Business Administration (2004). He worked for WesBank where he held various positions within the marketing division ultimately assuming responsibility for their national brand marketing and communications strategy, until a radical career change in 2011 saw him moving to Letsitele to join Groep 91 Uitvoer, the family-owned citrus producer and exporter pioneered by his father-in-law, Burgert van Rooyen. As a relatively new entrant into the citrus industry, he is a strong believer in securing the industry's long-term sustainability through investing financially and intellectually into the collective strategic objectives pursued by the Citrus Growers' Association. Jan-Louis is married to Janine and has three children. He is a strong advocate for active citizenship towards a better South Africa and an avid sportsman.



Jock Danckwerts • Eastern Cape Midlands

The 2019/20 season is proving to be a difficult one in the East Cape Midlands, having experienced the worst drought in living memory during 2019. This has had a negative impact on production, although fruit quality has been very good. The basket of fruit being packed has changed substantially over the past few years, with increasing plantings of soft citrus and lemons, and a dramatic decline in navel production. Navel oranges have been the mainstay of the East Cape Midlands citrus industry for over a hundred years, so some view the new trend with concern, particularly so in view of the exponential increase in plantings of soft citrus and lemon at a national level. I believe that over production can be seen as a major challenge to the industry in coming seasons.



Marius Bester • N Cape

Marius was born in 1971 in Winburg, Free State. He acquired a National Diploma in Agricultural Research at the Pretoria Technicon and later a B. Tech degree in Agricultural Management from the Nelson Mandela Metropolitan University. He has been involved in the citrus industry for 29 years in technical and managerial positions. Apart from representing the N Cape (Orange River) on the CGA Board, Marius is also a director of the CGA's Citrus Academy. He currently manages a citrus company in the Northern Cape. Marius is married to Natascha and has two sons and a daughter. He enjoys mountain biking and family time.





Mike Woodburn • KZN/Pongola

Mike began farming citrus in the S-KZN region in 1995. In June 2006 he was nominated to the CGA Board as the representative for S-KZN and has served on the CGA Board since. The South KZN region has been amalgamated with Nkwali so this area also comes under his directorship. He currently also sits on the CGA Finance and Risk Review Committee and the CRI Board. The southern African citrus industry has grown dramatically over the past 25 years and the next five years will see significant growth in lemons and soft citrus. Marketing this ever-growing crop together with biosecurity threats and industry transformation will be the greatest challenges for our industry during the next five years.



Paul Bristow • Zimbabwe

Paul was born 1957, educated in Harare, attending Gwebi Agricultural College. When the Bush War ended in 1980 he moved to the Beit bridge area, where he and his wife Patty helped his father-in-law to rebuild and develop the Citrus Estate on which they now live. "Citrus has always been good to us in the tough times and we feel it will do the same in the future. Advice and guidance from the CGA and CRI is the difference between success and failure in our industry. Zimbabweans always live in hope for a brighter future. We see citrus as our shining star"



Per Noddeboe • e-Swatini

The current season is challenging from many points of view; more difficult transfers through the borders due to COVID-19 and also lack of demand for grapefruit due to effect on hospitality industry. The e-Swatini citrus industry packed almost six million cartons of fruit in the mid-nineties reducing to just 800 000 in the last few years. A slow climb is indicated with a potential new entrant to the industry (yet to be confirmed depending on various exciting market prospects opening or not). e-Swatini citrus remains exciting in spite of short term challenges.



Phillip Dempsey • Patensie, E Cape

Being involved in the citrus industry from farming citrus, to logistics on the chemical side, to working for an export business and today being a shareholder in a local marketing business (Orange Chain), helps me understand the challenges we experience within the citrus industry from production to the customer. Relationships play a vital role throughout the value chain and with today's challenges one needs to understand the flow of business so that support can be supplied to all aspects of the value chain. The domestic markets require quality from export grade to juicing grade and this on its own opens the opportunity to not only sell grade 3 products but also an export grade. The way forward will be challenging... everyone in the value chain is playing an important role in the process of production to supplying the housewife whether locally or overseas. All parties involved need to be adaptable to change so we can make this a sustainable supply chain for the Citrus Industry.



Piet Engelbrecht • Senwes

Pieter attended Lowveld Agriculture College after his year's army training. He began to work as an employee at the bottom, with a very lowly wage. His father's argument was that 'you've finished studying, now you're here to learn.' After packing citrus under various brands we decided to create our own brand called Piet Citrus. It is now about twenty years old and well established internationally - one of the first brands in China. Piet Citrus is one of the most respected brands globally because of its consistency and quality. A massive effort goes into keeping it that way. Piet's personal involvement in citrus industry includes being Vice President - Agri Limpopo; Chairman - Agri Loskop; Board member of Loskop Irrigation Board and Regional Director for Senwes on the CGA Board. "My personal vision is to hand over the expertise and condition of the business to the next generation in the same or better condition that I received it."



Pieter Nortje • Sundays River Valley

In the 1880s my family moved with ox wagons from Oudtshoorn to an uninhabited Sundays River Valley. The first citrus trees were planted as an experiment in the early 1900s. In 1994, after some great years at University of Stellenbosch, I joined my father on his farm. We also built our first packhouse that year. 2020 seems to be one of the most difficult years ahead, but also with the best quality fruit we have ever had and the most opportunities for citrus worldwide. It will require calm leadership in a difficult storm to steer us through this season - this ship is always in the water - the water just needs to remain outside the ship. It might well be that the honeymoon years of citrus are over. We will need to be better and smarter about how we grow, pack, export and market the crop in the future.



Rajen Govender • Finance

Rajen is a qualified CA (SA) and joined the XSIT board in 2012, as an Independent Non Executive Director. He was subsequently appointed to the RB and CGA Boards, chairing the Finance & Risk

Review Committee as well as the Audit, Risk and Compliance committee for the RBX Group (XSIT and RB). He is also a founding member and CEO of a group of companies in the Public Transport Insurance Sector. Rajen says that he expressed an interest in the citrus industry due to its value adding and dynamic contribution to South Africa's GDP. He cherishes dealing with diverse matters from time to time and provides independent thinking to address governance and general business issues, not being a typical 'bean counter.' Passion for people development is also one of his keen interests.



Smit le Roux • Burgersfort/Ohrigstad

Smit was born and raised in Witbank, Mpumalanga. After obtaining a Master's degree at Stellenbosch in 2006, Smit started as Production Manager of Du Roi Nursery and was promoted to General Manager in 2008. He says this is where he learned the great lesson "Be hard on standards but soft on people". In 2014, Smit joined his father and two brothers in the family business in Ohrigstad, where they grow mainly mandarins and navels on nearly 300ha. All family members are involved in the business. "Ohrigstad is still a young citrus area, compared to the rest, with nearly 1500 ha under production. Ohrigstad is already famous for producing quality fruit, and is expanding rapidly into mandarins and navels." The growers of this new region hosted their first CGA Grower Roadshow in February 2020.



Vangile Titi-Msumza • Government Relations

Vangile Titi Msumza was born in 1952 in Bloemfontein. She completed her Masters in Natural Resources Management in Canada in 1991. Vangi's interest in citrus was sparked when she worked in the National Department of Agriculture (now known as DALRRD) as Deputy Director General leading negotiation teams for market access in China, Russia and the United States. She subsequently represented Agriculture at the Embassy of South Africa in the United States where market access for citrus was a major component of her workload. Vangi joined the CGA Board as Government Relations Specialist in 2018.





FINANCE

ROBERT MILLER

Financial & Business Administration
Manager

Levy

The CGA administers the statutory levy due on all citrus exported. The levy is allocated to fund the following activities:

- Research and technical support services. These are carried out on behalf of the CGA by Citrus Research International (CRI)
- Market Access and Market Development.
- Consumer Assurance and food safety.
- Provision of Industry Information and statistics.
- Logistics – Ensure the efficient flow of citrus from farms to ports.
- Transformation services including Human Capital Development. These are carried out by the CGA Grower Development Company and the Citrus Academy.

The 2019 season was the third season of the current four-year statutory levy cycle approved by the Minister. The levy for 2019 was 72 cents per carton. R92 million was collected and used to fund the various services provided to the growers by the CGA.

The levy for the remaining year of the current cycle (2020) is 74 cents per 15kg carton.

RISK MANAGEMENT

Some of the main risks to the CGA that were identified were:

Effect of phytosanitary constraints on export volumes and associated levy income

Citrus Black spot (CBS)

Disaster Management Committee in place. Special Envoy is

CGA BEE Status

During 2019, the CGA underwent a Broad Based Black Economic Empowerment (B-BBEE) verification audit. This process resulted in the CGA receiving a level 7 BEE rating based on the new Agri BEE sector scorecard. The CGA B-BBEE certificate is available on the CGA website for all growers.

Finance and Risk Review Committee (FRRC)

During 2019, the previously separate Finance and Risk Committees were combined to form one Finance and Risk Review Committee.

The members of the new FRRC for the 2019 / 2020 financial year were Rajen Govender (Chairman and Independent CGA Director), Mike Woodburn (CGA Director KZN), Hannes De Waal (CGA Director SR Valley), Andrew Muller (CGA Director Nelspruit), Phillip Dempsey (CGA Director Patensie) and Jan-Louis Pretorius (CGA Director Letsitele).

The function of the Committee is to provide oversight and guidance to the various CGA Group Company Boards on risk management as well as financial and internal control management. The FRRC also ensures compliance with various company and corporate governance regulations.

The FRRC held two meetings during the financial year, on 7th August 2019 and 10th March 2020.

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 has been appointed at CRI to manage this risk.

Logistical constraints on export volumes and levy income

Logistics Development 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 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. Submissions have been made to parliamentary review committee.

Transformation – General

CGA Grower Development company is focused on developing black growers and industry transformation matters. Has developed good relationships with DALRRD and other government departments. Citrus Academy continues to focus on human capital development for the industry. CGA received approval from the Jobs Fund to implement a project to develop black citrus growers. This will begin in April 2020.

Effect of BEE status on future levy approvals.

New AgriBEE codes have been gazetted. CGA has obtained Level 7 compliance under the new codes. Compliant status will strengthen CGA statutory levy applications.

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. Burgersfort / Ohrigstad has been added as a new region in 2019. Regular communication with growers is done through weekly newsletters 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

A two-person release system is in place on banking system. All payments are checked and authorised by the Finance Manager and CEO. Payments are also checked that they are in line with the approved budget. Regular financial reporting is provided to the FRC, CGA Board and Executive. Annual audit is conducted. Review of internal controls policies and procedures was conducted. 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. New server installed in 2020.

COVID-19 Effect on 2020 citrus season and exports

CGA has formed a COVID Response Committee. This committee meets every week to assess and deal with matters arising from the pandemic. The committee engages with government through Agbiz.





LOGISTICS

MITCHELL BROOKE

Logistics Development Manager

6-Point Logistics Strategy

On 13 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

1. 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 need to be transported from the northern regions to offset the demand for 8,000 additional road truck trips in line with production growth. The following rail terminals have been developed to transport containers from the northern region to the ports for export:-

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

2. 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 2019/20 year, major emphasis was placed on encouraging producers and exporters to use Maputo port as an export option. A large amount of groundwork 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 was 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.

3. Increased shipments in breakbulk conventional ships.

During the 2019 citrus season the first breakbulk conventional vessel loaded citrus from MFT in Durban to Shanghai in China. Subsequently four vessels loaded citrus from Durban to China in 2019. The importance of ensuring there is an increase in shipping citrus in breakbulk conventional vessels is twofold.

1) Provides assurance against risk of container terminal operational failure (e.g. strikes), and 2) Decreases the demand for reefer containers which will become ever more problematic in future.



4. Development of logistics IT and information systems:

The CGA consulted with Transnet Port Terminals to develop a port community logistics system. TPT are in the process of completing the work stream and thereafter putting out a tender for development.

5. Development and expansion of cold storage infrastructure.

The CGA has recognized the need for cold store development and expansion in the different regions according to the forecasted volume growth. There has been expansion at various key facilities across the country in the present year, such as FPT in Durban, Addo Cold Store and PE Cold Storage in the Eastern Cape, SAFT Cold Harvest and Cape Fruit Coolers in the Western Cape to name a few. A key cold store project commenced in Hammarsdale that is aligned to a broader integrated container depot and rail intermodal solution to access the Durban port more efficiently. The project is expected to be commissioned by March 2021.

6. Durban port operations and infrastructure development

It is commonly known that the Durban Container Terminal is frequently congested which constrains the movement of reefer containers to the terminal. Transnet National Ports Authority in conjunction with the eThekweni Municipality have developed a Port Decongestion Committee to implement the necessary requirements to ensure goods move efficiently in and out of the port. The CGA has been active in this committee and will do so until such time that the project scope has been completed.

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 CGA 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).

Tree Census

The annual tree census was compiled from data collected during the Department of Agriculture, Land Reform and Rural Development's (DALRRD) orchard registration process for exports in October 2019. Additional information was also provided by Zimbabwe and Swaziland (now eSwatini) growers. Of the 88 569 hectares accounted for in the 2019 census, Valencia and midseason oranges made up 32%. Interestingly soft citrus hectares (22%) and lemons (19%) have overtaken navels (18%). Grapefruit remains at 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. Export-related data was supplied by Agrihub and PPECB. The tree

census data as well as data on export and local market sales, processing volumes and revenue were obtained from DALRRD.

Budwood sales data supplied by CRI was also published in the booklet. The 2019 citrus statistics booklet was prepared and posted on the CGA website.

Due to the COVID 19 lockdown (March 2020) it did not go to print before the end of the period under review. A hard copy will be sent to all grower members of the CGA when printing companies and post office are back in production.

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 2019. 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. Several additional reports were added to the existing selection in 2019. 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 2019/20 year the CMF met twice. In October 2019 the closing season's events and lessons were discussed and in March 2020 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.

Variety Focus Groups

The 2019 Southern African citrus export crop estimate was assembled by the regional variety focus representatives in March 2019. 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 in the CEO's weekly newsletter and in minutes published on the CGA web site.

The table below shows the original 2019 estimates, the actual volumes achieved, and the estimates for the 2020 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 2019 estimate was 92% accurate. The Grapefruit Focus Group underestimated their record crop and experienced a tough marketing year.

In 2019 minor changes were made to the industry fruit quality standards (vetted by the variety focus groups before submission to DALRRD)

Reports

The **Global Citrus Scan**, a one-page summary of citrus news items gleaned from the media was published weekly.

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 summarised in a single page graphical summary and published regularly during the course of the 2019 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 who 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.

Type	2019 Estimate (CGA)	2020 Actual	% Actual vs. Estimate	2020 Estimate
Valencia	52 877 400	46 754 423	-12%	50 361 673
Navels	26 856 000	24 287 540	-10%	26 527 980
Grapefruit	17 147 107	15 337 965	-11%	16 688 662
Lemons	21 982 876	22 077 288	0%	26 406 988
Soft citrus	18 303 160	18 218 287	0%	23 304 766
Total	137 166 543	126 675 503	-8%	143 290 069



VARIETY FOCUS GROUPS

The variety focus groups 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. Minutes of their regular meetings are published on the CGA web site and summarised in the CEO's weekly newsletter. The variety focus groups also give opinion on dispensation requests referred to them by DAFF when called upon to do so from time to time. The variety focus groups met regularly during the season 2019/20 season with the CGA Information Manager convening the meetings and acting as secretariat. The CGA extends its appreciation to the variety focus group

regional representatives for giving their time to serve their fellow growers. Thanks are due to chairpersons Gabriele van Eeden (Navel Focus Group), Deon Joubert (Valencia Focus Group), Jan-Louis Pretorius (Grapefruit Focus Group) and Hannes de Waal (Lemon Focus Group) who all stepped down from their chairing roles at end of 2019 season.

Gabrie van Eeden, Deon Joubert, Fanie Meyer, Martina Odendaal, Jock Danckwerts, Das de Villiers, Richard Allen, Stefan Bruwer and Kobus van Staden have been variety focus group representatives for their regions since their inception in 2006. During the course of 2019, the Valencia Focus Group and Navel Focus Group agreed to hold their meetings jointly. The regional representatives for the 2020 season are as follows:

Region	Valencia/Navel	Lemon	Grapefruit	Soft Citrus
Boland		R. Allen		S. Bruwer
Western Cape	S. Engelbrecht* / P. Hough	B. Mouton		H. Warnich
Patensie	T. Meyer/ S. Meeding	S. Meeding		M. Odendaal*
Sundays River	D. Joubert/ K. Terblanche	L. Venter*	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		P. Pretorius
Nelspruit	A. Muller	A. Muller		
Swaziland	G. Brown	S. Geldenhuys		
Letšitele	B. Landman	B. Landman	D. Fourie	
Hoedspruit	F. Meyer	G. Bezuidenhout	K. van Staden	J. du Preez
Orange River	R. van Zyl	M. Hamman	D. Steyn	M. Bester
Limpopo River	J. Joubert	F. Dillman	F. Dillman*	K. Smit
Senwes	P. Nortje	H. Schoeman		I. Upton

* Chairman



During 2019/20 the Navel Focus Group and Valencia Focus Group conducted joint teleconferences during the season.

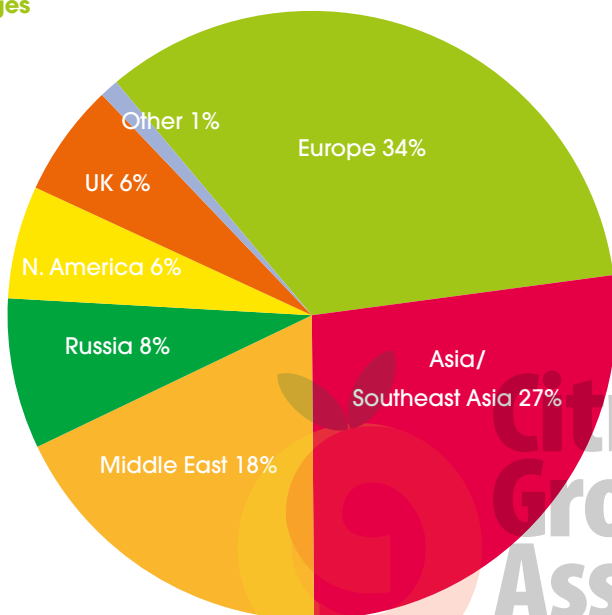
The variety focus groups held meetings as follows:

Month	Grapefruit	Oranges	Lemons	Soft Citrus	Total
March	1	1	1	1	4
April	1		2	1	4
May	2	1	1	1	5
June	2	1		1	4
July	1	1	1	1	4
August	1	1	1	1	4
September	1	1		1	3
Total	9	6	6	7	28

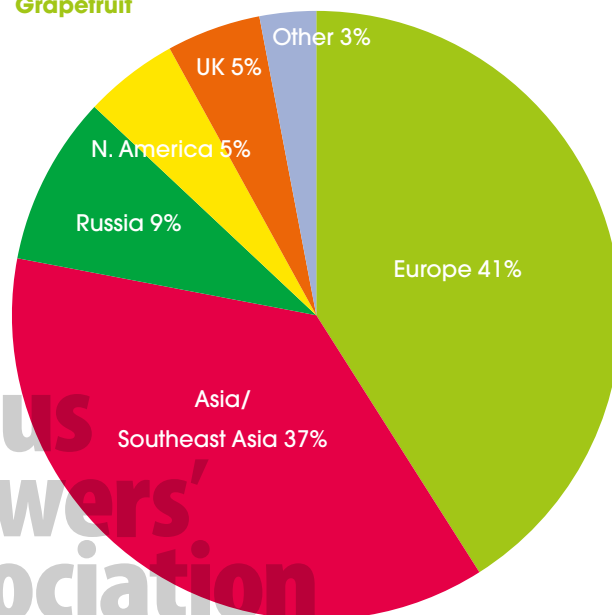
EXPORTS 2019



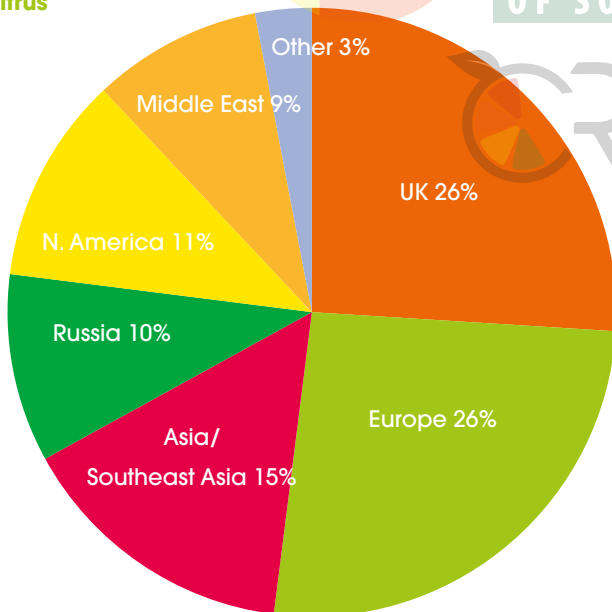
Oranges



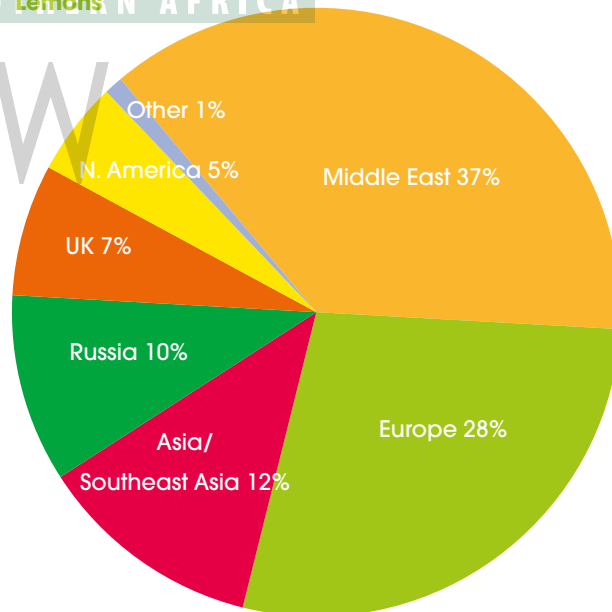
Grapefruit



Soft Citrus



Lemons





CONSUMER ASSURANCE

PAUL HARDMAN

Industry Affairs Manager

How do we understand Consumer Assurance in our industry? What can consumers really be assured about?

Firstly, consumers can be assured that the citrus they and their families consume is safe to eat and has natural intrinsic goodness. Secondly, buyers and consumers can be assured that during production, packing and shipping, the workers involved along the supply chain have been kept safe and are being treated fairly. Thirdly, there is an understanding that the places of production are being cared for so that farms can continue to be productive for generations to come. Simply put, Consumer Assurance is about enabling dad and mom shoppers to trust in South African product knowing that it is being supplied to them in a sustainable way.

To achieve Consumer Assurance there are many different processes, decisions, activities, institutions and individuals whose combined total efforts are jointly required to deliver on these consumer assurance expectations. This teamwork is across research, commercial and regulatory spheres where CGA plays a facilitating role to ensure all parties are kept apprised of current and upcoming regulations, issues, challenges and opportunities.

Food Safety

Key to providing Food Safety is ensuring growers are aware of the importing countries food safety regulations. Keeping up with these requirements is increasingly challenging as countries continuously adapt and apply new science and information that influence decision-making. Political influence on food safety decisions is also making the outcomes of policy and processes more unpredictable. In this context CGA, with CRI, published three editions of the *Recommended Usage Restrictions for Plant Protection Products on Southern African Export Citrus* along with various Cutting Edge updates to ensure

growers and packhouses have been made aware of key changes in import requirements.

This communication to the citrus industry has focused on the following important matters:

- **Saudi Arabia:** New regulations published by the Saudi Arabian authorities in June 2019 were due to take effect from August 2019. The implementation of the Regulation was ultimately postponed until February 2020 but the main concern was actually around the interpretation of these requirements and how they needed to be applied here in South Africa. FPEF and CGA engaged both DALRRD and DIRCO to seek clarity. In the vacuum created by the lack of official feedback from the Middle East DALRRD set down Conditions of Exporting products to Saudi Arabia, which focused on the monitoring of pesticide residues, heavy metals testing and microbiological contaminant testing. CGA and FPEF raised concerns about these rules, highlighting the practicality (i.e. major disruption) and cost of implementation. By March 2020 importers were also able to share experience of how the new requirements were being used in Saudi Arabia to clear fruit on arrival. After extensive further negotiation with DALRRD the rules were relaxed so that monitoring of export product was brought in line with more typical monitoring of export product, resulting in significant cost savings for the SA citrus industry (estimated at R15 m per annum).
- **EU Chlorpyrifos MRL Changes:** Citrus industry players had been concerned that changes to the EU Chlorpyrifos MRLs had been notified late and would come into effect mid-way through the 2020 export season and when the opportunity to prevent an MRL exceedance was out of the hands of the producer. Although not widely used Chlorpyrifos does play a key role in pest control strategies for some regions early on in the production cycle. The EU Commission was engaged along with other EU networks to understand the underlying reason for the urgent MRL review, and try to reduce the impact of sudden changes. It is pleasing to report that the revised MRLs will only come



into play in September 2020 so will have relatively little impact on the 2020 season.

- **EU Imazalil MRL Changes:** During 2018 CGA had been very involved in the process to retain the EU Imazalil MRL on citrus. At the time the threat was the MRL would be lowered due to gaps in the toxicological data used to support the MRL. Through combined efforts with partners the EU Commission determined to retain tolerances at levels which allow for continued protection of SA citrus to the EU with Imazalil. In February 2020 CGA was also able to confirm with the key Imazalil Intellectual Property holder for the molecule, that research to fill those gaps had began in 2019. The preliminary results are looking promising, suggesting the Imazalil MRLs on citrus will exist for the foreseeable future.
- **EU MRL Changes:** CGA meet with the EU Commission directly to determine upcoming possible MRL changes, especially where these may be triggered by the endocrine disruption criteria introduced in the decision-making process. Fortunately, during the period under review the MRLs of key active substances have not been effected.
- **Post-harvest Treatment Declarations:** Revised recommended declarations for post-harvest treatments were concluded and distributed to the citrus industry before 2020 export season. The markets with on-going issues are India and Japan, where CGA continues to work with DALRRD FSQA and PPECB to ensure uninterrupted trade.
- **Revised China MRLs:** In February 2020 CGA became aware of revised MRLs for China that would apply immediately, causing concern given the imminent start of the export season. For some post-harvest treatments, a review of application practices was required to ensure compliance to the new tolerances were feasible, and the industry was duly notified via a Cutting Edge edition with CRI.

contact with retailers and to continue the conversations with them about topics that impact producers' choice for plant protection products. Such face-to-face meetings are used by CGA to highlight the significance of plant health regulations, where EU law compels producers to ensure pests of concern are absolutely controlled. These are also opportunities to demonstrate the large body of research being undertaken by CRI to find the best solutions for various pest problems, especially for post-harvest treatments. Retailers for their part continue to press for lower and fewer residues in fruit. This round of discussions did reveal that where attempts had been made to withdraw post-harvest treatments on lemons the results were widely variable. This outcome has led some retailers to engage more directly with CRI experts so that empirical evidence is being used in their thinking about what post-harvest requirements to promote.

Confronting Climate Change: Fruit & Wine Initiative (CCC)

CGA remains a strong supporter of the CCC and encourages citrus producers and packhouses to participate in this programme. The immediate benefits include understanding drivers of carbon emissions, and by finding ways to lower emissions to lower costs (input costs such as reduced electricity consumption are highly correlated with carbon emissions).



Retailer Engagement

CGA used the opportunity to be at Fruit Logistica to reaffirm

Longer-term benefits include making businesses more resilient to climatic and supply shocks, and also being prepared for governments carbon tax regulations. The CCC continues to move across to a commercial (i.e. self-funding) model which appears successful so far, but is being monitored by CGA to ensure the initiative remains viable.

Water related matters

At the CGA Strategic planning session in September 2019 citrus industry leaders considered the role of CGA in water matters. The range of issues around water includes maintaining water quality, water availability, effective management of water resources, treatment of water, etc. The key challenge is that issues vary from region to region and the ability to solve them depends largely on external parties (e.g. local government, etc). With that in mind and given CGA has limited resources the decision taken at the strategic planning session was that CGA would not get involved in matters best resolved at the

regional/local level. CGA would continue to support awareness raising and good environmental stewardship of water. To this extent CGA worked with Blue North and released a series on Sustainable Water Resource Management documents to guide producers to take action on farms to use water well.

Sustainability Initiative of South Africa (SIZA)

Closer cooperation with retailers and other assurance programmes remains a priority for the SIZA team as they seek to ensure both the SIZA social and environmental module remain relevant and the preferred option by the market. SIZA meetings at Fruit Logistica are a good example of this contact with the market. Such cooperation means audit duplication is reduced and the SIZA brand is strengthened. One on-going concern is the high auditing costs facing some producers despite the wider reach of audit firms. Producers are encouraged to support the SIZA programme given the long-term sustainability objects of this initiative.

SIZA, THE PREFERRED AUDIT FOR SOUTH AFRICA?



Manage Risk

- Third-party Audit
- Monitor Auditors & Audit Quality
- APSCA
- Rigorous Audit Process & Methodology

Focus on Continuous Improvement

- Not Only a Snapshot of audits
- Local Office and Oversight
- Provide assistance on country-specific issues
- Ability for Producers to Benchmark Practices within Business

Cost-Effectiveness

- One Audit – moves away from multiple-audit approach

Market Access

- Aligned with Global Requirements and Best Practices
- Risk-Reports
- Online Visibility



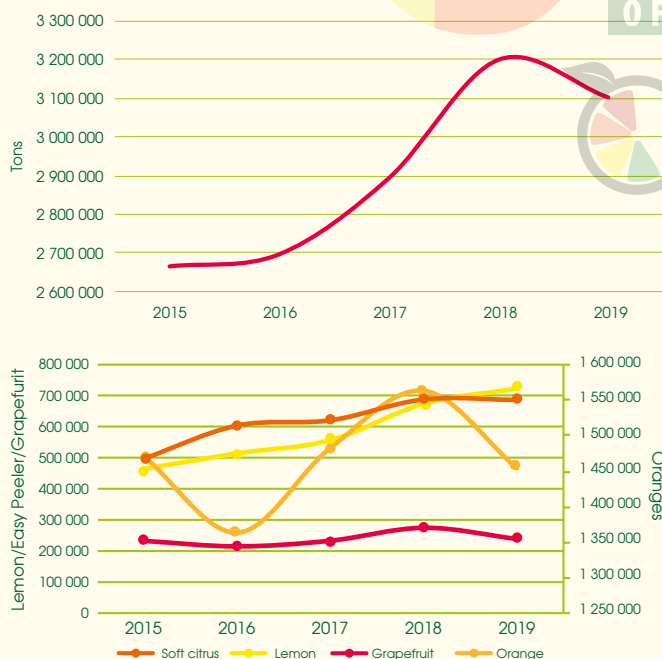
MARKET ACCESS



JUSTIN CHADWICK
DR VAUGHAN HATTINGH
DR ELMA CARSTENS
DEON JOUBERT

Southern hemisphere citrus exports took a breather in 2019 after showing sustained growth from 2016 to 2018. Although Peru, Australia and Uruguay recorded higher export volumes than 2018, South Africa, Argentina and Chile all recorded lower export volumes than the previous year.

Southern Hemisphere Exports - 2015 to 2019



Philippines



DALRRD received the draft phytosanitary requirements for the import of fresh citrus fruit from Bureau of Plant Improvement (BPI) and a meeting took place between CRI and SA-DAFF on 16 May 2019 to discuss the detail. Many problems were identified. According to the draft phytosanitary requirements, citrus from South Africa should be sourced from FCM and fruit fly pest-free places of production and be subjected to an in transit 24 day cold treatment.

DALRRD submitted feedback to the BPI on 10 July 2019. The feedback included the latest scientific articles by Moore et al. on an improved cold treatment for FCM and information to correct the many problems identified in the draft phytosanitary requirements. The SA Counsellor for Agriculture, Mr Kelembe was included in the communication. DALRRD received a response from the BPI on 30 August 2019 and although the BPI accepted the quarantine pest list and most of the corrections, they still requested that fruit should be from FCM and Fruit fly free orchards, consignments must be subjected to a 22 day cold treatment and that a 5-10% fruit sample will be inspected on arrival.

CRI provided feedback to DALRRD on 27 September and they submitted a response to the BPI on 1 October 2019. In the feedback DALRRD indicated that mitigation measures and fruit sampling procedures must be according to International Standards for Phytosanitary Measures.

On 8 November 2019 DALRRD provided CRI with the feedback received from the BPI. They no longer requested that fruit should be from FCM and fruit fly free orchards. They accepted DALRRD's proposal that pre-export quarantine inspection shall be conducted by the DALRRD to ensure freedom from the all the Philippines' quarantine pests of concern, particularly, *Ceratitis capitata*, *C. rosa* and *Thaumotobia leucotreta* and in case of interception of these species during the export inspection, DALRRD will reject the consignment and shall ensure that the fruit will not be allowed to be exported to the

Philippines. The BPI also accepted DALRRD's proposal for the monitoring of FCM and fruit flies in orchards but would like to have clarification on the verification process followed by DALRRD to approve orchards for export to the Philippines. The BPI did not agree with DALRRD's proposal for a 2% sample size for inspection on arrival in the Philippines. The BPI proposed a 5% sample size.

After a meeting between CRI and Inspection Services on 18 November 2019, CRI provided inputs to DALRRD. DALRRD submitted a response to the BPI on 26 November 2019, providing detail of the verification process and indicating that they agreed with the 5% sample size.

This means that the phytosanitary conditions for export have been agreed upon and the protocol can be signed.

Fruit South Africa visit to Manila – A Fruit South Africa delegation (including CGA and CRI) was accompanied by Department of Agriculture, Land Reform and Rural Development (DALRRD), along with the Charge'd Affaires of the South African Embassy in Manila and the South African Agricultural Counsellor in the region, met with BPI to engage with a view to accelerate market access for SA produce. Importantly, the meeting reviewed the proposed draft citrus protocol. Inputs were made by South Africa and areas of concern in the draft were highlighted. BPI made a commitment to study the proposal and suggested amendments by DALRRD in two weeks and responded accordingly. BPI also tabled a road map that will be implemented in the processing and approval of the citrus protocol.

The set target by BPI was to complete both the technical and regulatory requirements by February 2020 so that the protocol can be implemented from the beginning of the 2020 season. By end March 2020 a protocol had been accepted, and a Work Plan was being developed.

Volumes – South Africa did not ship any citrus to Philippines in 2019.

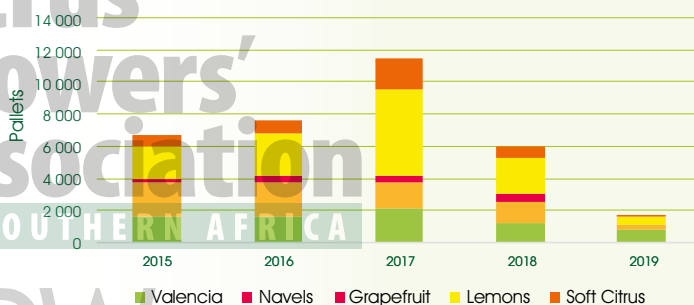
Vietnam

South Africa applied for access for oranges in 2012.

During 2019 no further correspondence was received by Vietnam, who were busy with a table grape application from South Africa.

On 14 January 2020 DALRRD received a request from the PPD to conduct a site visit in South Africa. The PPD requested confirmation for a site visit to the South African citrus industry in June 2020. CRI was consulted and on 17 January 2020 DALRRD confirmed the proposed date (June 2020).

Volumes – Without an official protocol in place, exports to Vietnam are negligible.



China

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

On 26 July 2019 SA-DALRRD received feedback from GACC. They still declined to accept that commercial export grade lemons produced in South Africa are not a host for fruit flies. The GACC again indicated that the problem can be solved by exporting South African lemons in accordance with ISPM28-PT26: *Cold treatment for Ceratitis capitata on Citrus limon* at



3°C or below for 18 consecutive days. They also indicated that if South Africa insisted that the lemons are not a host, research should be conducted according to ISPM37: *Determination of host status of fruit to fruit flies (Tephritidae)* and submitted to the IPPC to be included into an international standard.

In order to solve the problem CRI and Fruit SA visited the CIQA in August 2019 to discuss a possible trial to re-confirm the non-host status of commercial export grade lemons for fruit flies and to evaluate the impact of the proposed cold treatment (3°C or below for 18 continuous days) by GACC on the quality of the fruit. The CIQA however indicated that they cannot commit to a trial procedure without GACC approval.

Further consultation between DALRRD and CRI resulted in DALRRD submitting a response to GACC on 18 October 2019. DALRRD accepted inclusion of the ISPM 28-PT26 cold treatment of *Citrus limon* for *Ceratitis capitata* (3°C or below for 18 continuous days), in the current protocol and requested GACC to agree to continue with ongoing bilateral discussions to exempt South African export grade lemons from a cold treatment based on non-host status.

On 6 November 2019, DALRRD received feedback from GACC. They provided an amended protocol for fresh citrus fruit to China which included the ISPM 28-PT26 cold treatment of *Citrus limon* for *Ceratitis capitata* (3°C or below for 18 continuous days). The GACC however included other changes to the current protocol as well – these have since been removed.

The changed protocol was due to be signed off at a Ministerial bilateral called for March 2020. The COVID-19 pandemic resulted in travel restrictions, meaning that the changed protocol remains unsigned.

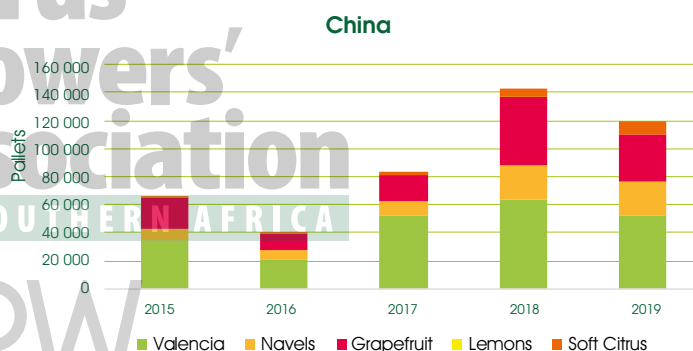
Acceptance of break bulk shipments

The 2019 season represented the first opportunity for break bulk shipments to be sent from South Africa to China. This marks the successful conclusion of extensive efforts by DALRRD, PPECB,

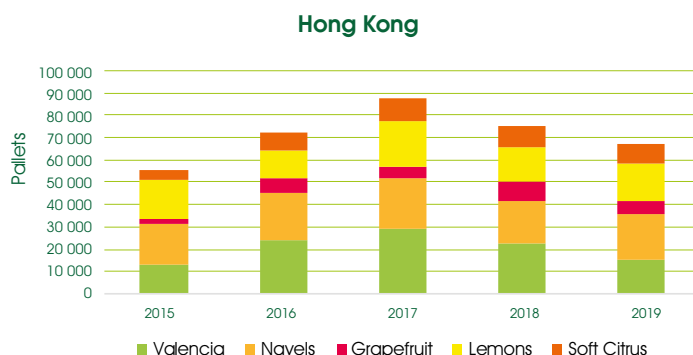
CRI and CGA over several years. A ceremony attended by both Minister Zokwana and Deputy Minister Buthelezi was a fine send off for the first specialised reefer vessel carrying co-loaded fruit for Japan and China.

Zimbabwe – CGA and CRI are working closely with Zimbabwean authorities and growers on this opportunity. A draft protocol is under consideration.

Volumes – Export volumes in 2019 came off the high levels of 2018, with volumes of around 120 000 tonnes. There was an increase in the volume of soft citrus exported to China. This remains an important market for Valencia oranges and grapefruit.



Export volumes into Hong Kong continued to decrease.



Japan

In 2019 there was no progress on the three long outstanding market access issues despite several follow ups by DALRRD and Industry. Japan-MAFF maintains it will work on one protocol at a time. Currently Japan-MAFF is working on a protocol for South African Avocado exports to Japan. On 19 December 2019, DALRRD sent a letter to MAFF indicating that the next market access priority for South Africa is to conclude the three long outstanding citrus issues.

Wider access for soft citrus (mandarins)

In the letter they indicated that South Africa's request to include all mandarins (excluding satsumas) is technically justified. Justification is based on the agreement reached by the Technical Panel on Phytosanitary Treatments (TPPT) which is responsible for recommending phytosanitary treatments to the Standards Committee of the IPPC. The TPPT agreed "that there are no fruit fly population differences in relation to cold treatment and no varietal or cultivar effects". Feedback is pending from MAFF.

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

In the letter they indicated that South Africa's request to adopt a revised cold treatment of 1.4°C or lower for 16 days for all citrus types is within Phytosanitary Treatments (PT) standards for Mediterranean Fruit Fly (Medfly) in citrus fruits, as adopted by the International Plant Protection Convention (IPPC). They also pointed out that the time temperature conditions covered by these PTs, the cold treatments accepted by Japan for import of citrus from other countries, and the Medfly cold treatment protocols accepted by other countries for import of citrus fruit, include time temperature options similar or equivalent to the 1.4°C or lower for 16 days as validated in the South African trial results. Feedback is pending from MAFF.

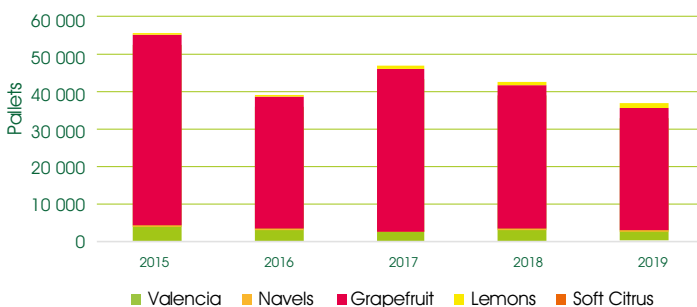
Amend current bilateral protocol to include all Navel oranges from South Africa

In the letter they indicated that South Africa's request to include all navels in the protocol is technically justified. The justification is based on the agreement reached by the Technical Panel on Phytosanitary Treatments (TPPT) that is responsible for recommending phytosanitary treatments to the Standards Committee of the IPPC. The TPPT agreed "that there are no fruit fly population differences in relation to cold treatment and no varietal or cultivar effects". Feedback is pending from MAFF.

Fruit South Africa visit to Tokyo – During November 2019, CGA was invited to be part of the business delegation accompanying President Ramaphosa on his official visit to Japan. CGA had the opportunity of a pre-briefing with Minister Patel, and an opportunity to brief the President himself. The matters were raised by the President during his meeting with the Japanese President.

Pre Clearance Programme – At the end of March 2020 South Africa went into lockdown as a result of the COVID-19 pandemic. A request was made to the Japanese authorities to allow DALRRD to conduct pre clearance activities.

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



USA

Full access from all the South Africa growing regions to the US citrus market remains one of the top priorities for the CGA. This to add top paying customers to the fast growing South African citrus crop, notably soft citrus, which has huge appeal to the US consumer. The CGA believes the excellent soft citrus produced in South Africa and marketed counter season to the US crop, would get huge traction and grow consumer preference in the US. Currently only the CBS free areas from specific magisterial districts found in the Western Cape and Northern Cape have access to the US market. During the 2019 year renewed initiatives were launched to break the six year full South Africa citrus access deadlock.

CBS equivalence on US domestic and import regulations affecting South African citrus access

The USDA and USTR leadership at the Secretarial level continues to withhold publication of the USDA/APHIS notice-based rule that will fully harmonize APHIS' domestic and foreign CBS requirements with respect to South African imports. This currently continues to block citrus from CBS areas to attain full US market access. Currently, USDA has linked the approval of South African citrus with expanded access for US poultry and/or pork. The current US Administration aggressively promotes greater US market access abroad under a nationalist mantra

of "fair and reciprocal trade" that US farmers readily support.

The contradiction is that APHIS approved a domestic federal order in 2010 permitting a CBS "systems approach" certification scheme for Florida; followed by similar import authorizations for Uruguay in 2013; Argentina in 2017 and more recently; China in 2020 but does not implement South African access of the same plant vector. Ironically, this process was initially done for the potential South African citrus access and APHIS was fully prepared to publish the CBS rule for South Africa by October 2018, but continued industry lobbying by influential US poultry/pork sectors have halted the approval process.

The pending APHIS CBS rule will expand access for all South African citrus producing areas where CBS is known to occur. The regulation acknowledges that CBS in commercial fruit production is of minimal risk and will not follow the disease pathway. In this regard, DALRRD will be responsible for establishing a "systems approach" that includes a series of practical, phytosanitary measures applied at the orchard, pack house and shipping levels prior to export.

Meetings in Washington

The US trade and commercial interest on South African citrus imports were consulted and included in initiatives to break the ongoing deadlock for full South African citrus access. This resulted in high end political lobby which lead to amongst other, meetings with Agricultural Secretary Perdue's senior staff and US Administrator, Kevin Shea in October, 2019.

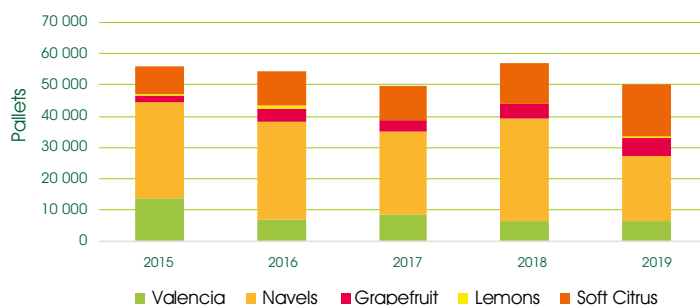
The South African Embassy in Washington provided excellent trade policy and personal support by arranging prior briefings and accompanying the CGA representatives and the commercial interests to these meeting. Ongoing contacts between the commercial interests through their efforts has provided a continuance of communication to the US Agricultural Secretary, on the South African citrus access issue.



New US Ambassador in South Africa - The new US Ambassador to South Africa, Lana Marks, was sworn into office on October 4, 2019, arrived in South Africa on November 9, 2019 and presented her diplomatic credentials to President Cyril Ramaphosa on January 28, 2020. The CGA made it a priority to get acquainted early and succeeded in hosting her on December 18, 2019 in the Hexriver Valley. The CGA was able to spend a good amount of time with her and brief her well on our citrus issues and priorities in term of US market access. The Ambassador requested honest briefings to enable her to make effective interventions for South African citrus to the Trump Administration. The CGA undertook to do so and have provided her with a number of briefing papers since then.

Inclusion of Additional US Ports-of-Entry for South African citrus exports - On December 12, 2019, industry submitted a request to DALRRD to include two additional US ports-of-entry in the current workplan. The Ports of Savannah, Georgia and Charleston, South Carolina were identified. The inclusion of these ports will enable the industry to better meet the needs of the retail customers in the US and to better serve the needs in the market place. DALRRD filed an official request to APHIS on December 20, 2019.

Volumes - Export volumes retained their levels at about 50,000 pallets, which with a fast growing crop, is disappointing.



India

Cold treatment protocol (in transit cold treatment) for citrus shipments

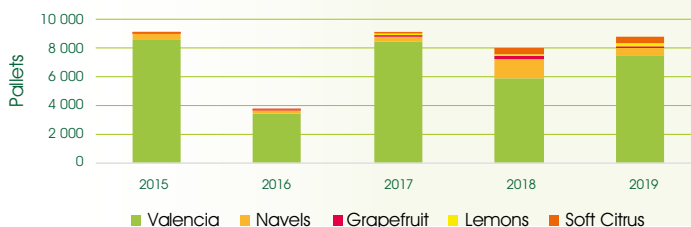
In 2019 there was no response from India despite several follow ups by DALRRD and Industry.

Fruit South Africa (FSA) Visit to India - The delegation met with representatives from the Indian Ministry of Agriculture and Farmers Welfare under the leadership of Joint Secretary Dr Chandler. Trial shipments with in-transit cold treatment for oranges have been received and were successful. A notification/regulation is being worked out to inform all ports. Signing off needs to take place at political level by the Minister of Agriculture, which will only occur after the conclusion of the Indian elections in June 2019.

Participation at Fresh Produce India 2019 - FSA again participated at Fresh Produce India 2019 and had a booth there. Seminars held provided an insight into developments in the Indian fresh produce market, especially access platforms. The growth of the Indian economy has resulted in the growth of the middle class which has become selective in the quality of produce they purchase. Current purchasing trends have seen quality as a major driver of sales, followed by freshness, taste, availability and price.

Logistics for imported fruits is also being developed given the number of cold stores that are being built across the important ports and cities. Promotions are still being used to drive sales and in-store promotions are the order of the day. Vendors are still a leading platform for the majority to access the fruits. Access online is about 9% and retail 16%.

Volumes - Export volumes in 2019 increased slightly from the previous year. Valencia oranges remain the preferred product.



South Korea

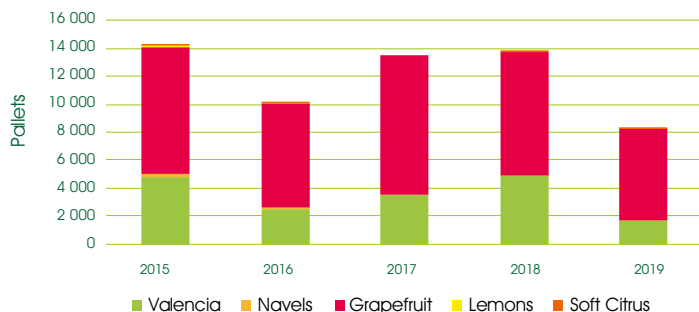
Inspection, pre-cooling and loading of citrus fruit from other cold treatment facilities in South Africa

Industry submitted a request to DALRRD on 14 August 2019. DALRRD indicated that the detail of the request (how many PUCs and inspection points involved) should be discussed at the Annual Citrus Coordinating Meeting (ACCM) held in November 2019. At the ACCM and the Market Access meeting held in November 2019 it was agreed that the request will be further discussed between FPEF, CRI and DALRRD in January 2020. DALRRD will then be able to indicate how many PUCs have registered to export citrus to South Korea. A telecom took place on 5 February 2020 between CRI, CGA and DALRRD. DALRRD confirmed that there is a facility in the Western Cape that complies with the requirements. DALRRD is awaiting the letter from South Korea to confirm the arrival dates of the inspectors and the feedback on the past season. A telecom was planned to discuss the way forward but no further discussions took place due to the COVID-19 situation.

Pre Clearance Programme – At the end of March 2020 South Africa went into lockdown as a result of COVID-19. A request was made to the South Korean authorities to allow DALRRD to conduct pre clearance activities.

Market Development – During July 2019 CGA (through the Grapefruit Focus Group) and FPEF continued with the grapefruit promotions that were started in 2018. This included a “sales battle” at 122 E Mart stores – to encourage store sales of South African grapefruit.

Volumes – There was a significant decrease in 2019 volumes sold.

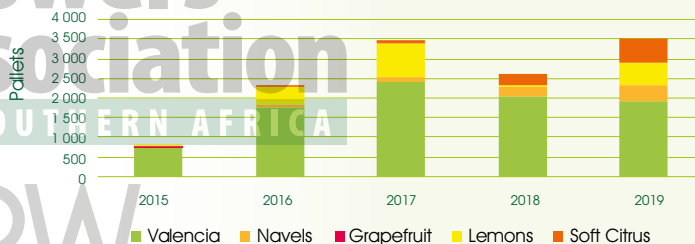


Indonesia

Shipping Temperatures – After deliberations between industry, Department Agriculture and PPECB the shipping temperatures were adjusted to reflect appropriate requirements. Future shipments will be monitored to ensure that fruit quality is not compromised.

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 again being issued.

Volumes – Volumes exported to Indonesia increased back to levels of 2017, with significant increases in navel, lemon and soft citrus categories.



Russia

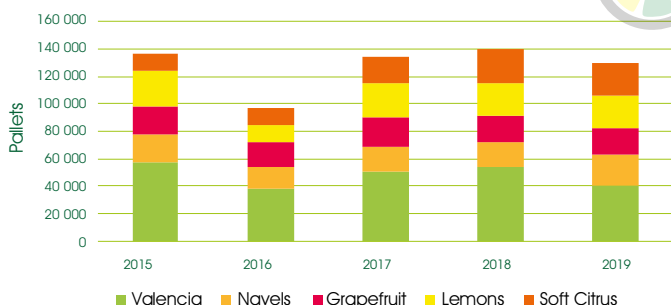
CGA Representative in Russia – Mikhail Fateev continued to represent southern African citrus interests in Russia. Mikhail used all opportunities to engage on issues facing the industry, and in building links between South Africa and Russia. Mikhail prepared a weekly newsletter which is distributed to the Russian Interest Group.

BRICS – Mikhail used his position on the BRICS Business Chamber to raise South African citrus issues. The CEO of FSA attended a BRICS meeting in Brazil. Restructuring of the Agricultural platform of BRICS should result in more focused attention on trade development.

Labelling – This remains an issue in Russia. Anton Kruger (PPEF) 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 – Since bottoming out in 2016, exports to Russia have increased – although 2019 volumes were off the 2018 highs.



EU

The 2019 citrus volumes were disappointing as a much lower export crop was delivered (127.5m cartons) than anticipated (137.2m cartons) due to drought and other climatic challenges.

Nonetheless it turned out to be quite an eventful year with the following highlights:

1. Retaining EU/UK access

The CGA's main goal to retain EU/UK market access, while other markets are developed, was well exceeded. This is demonstrated by the growth in volumes to the EU and UK market of around 11 million 15kg carton equivalents between 2014 and 2019. Not only did the total South African citrus export crop increase from 112 m cartons in 2014 to 127.5 m cartons in 2019 but the EU/UK market share as a percentage of the total exported crop rose from 38% in 2014 to 42% in 2019.

This is a remarkable achievement, considering the excessive focus in the EU on Regulatory Control and Intervention (phytosanitary scrutiny and measures required), which is restrictive in nature. Hats off to the growers, CRI, DALRRD, PPECB and CGA staff who kept South Africa in the game as well as increasing our exports citrus volumes.

2. Interceptions and Tunisia

On the regulatory intervention side, the two major EU phytosanitary challenges were dealt with satisfactorily, but South Africa will need to up its game. By and large everyone is doing a remarkable job, but the citrus industry is mostly let down by a small number of repetitive transgressors and local non-compliance.

The final count of interceptions (non-compliances) on FCM was 21 (one of these being kumquat) vs the 8 South Africa recorded in 2018. This places South Africa third behind Uganda's 51 and Kenya's 48 on the 2019 list. Thus South Africa was under heavy scrutiny and various interventions had to be launched, to offset opportunistic attempts for the Commission



to focus on South Africa. The higher number of Ugandan and Kenyan interceptions provided some breathing space from EU intervention, but South Africa is not sitting comfortably on the current recorded number of FCM interceptions. Hopefully the tightening of FMS measures and adjustment to the FMS will reap the required better results. The 2020 South African results on FCM to EU will be critical to our future options and direction to retain the access.

Regarding CBS interceptions, South Africa was joint second with China on 9 (vs the 2018 South African number of only 2), with Argentina recording 17 as the highest number of CBS interceptions. Equally Argentina's high number from a notable lower export crop (less than 25%), provided some measure of respite. South Africa's 2019 results will equally have to improve going forward.

The new kid on the block was Tunisia with 7 CBS non-compliance cases. This really put the cat amongst the pigeons, as Tunisia (a previous French colony), had never before reported CBS on its citrus. Tunisia had traded freely with its citrus to the EU (as an historic colony) and these CBS cases forced the EU to relook its policy and stance on CBS. CBS is now prevalent on the EU borders (the Mediterranean rim) and science is the reported information, while the EU Commission is reworking its approach. The outcome will equally determine South Africa's future approach.

3. Visits to MS NPPOs

With the imminent exit of the UK from the EU, South Africa will lose a strong alliance partner in the Standing Committee on Plant Health. This prompted the travel schedule for 2019 to additionally cater for increased contact points with EU member States and their NPPOs. Apart from the regular Swedish, Spanish, Portuguese, French, Belgium, Dutch, German, English and Italian NPPO's visits in 2019, additional introductions were made at the Greece, Latvian, Lithuanian and Estonian NPPO's as well as the regional Spanish NPPO offices in Vigo and Algeciras – the last two associated with the

project on direct shipments to Spanish ports.

These relationships proved to be invaluable by assisting to solve issues. It is concerning though, that the CGA was the intermediary for DALRRD to these NPPO offices and relationships. DALRRD now has a very small number of international attachés.

4. Direct Shipping to Spanish Ports

There has been an existing CGA and Fresh Produce Exporters Forum (FPEF) embargo on citrus shipments directly to Spanish Ports since 2015. A small leak of around 50 to 70 containers did take place in 2017 and 2018. In an attempt to plug the gap and attain Industry solidarity, the CGA embarked on a controlled project of shipping citrus to the port of Vigo in 2019. The "perpetrators" of 2017 and 2018 were visited and largely convinced to participate in the project, which reduced the "leakage" considerably. Additionally, it provided a "legal" and CGA/FPEF supported channel directly to Spanish ports. The project went down without a hitch and no interceptions were recorded. Good cooperation was experienced all round and it provided the building blocks for a larger project in 2020, which will service the ports of Vigo and Algeciras.

5. Alternative Access to EU Commission

It became apparent after the 2018 season (with the very low



number of CBS and FCM interceptions by citrus from Southern Africa not resulting in any tangible respite from the EU), that alternative access to the EU Commission to lobby the South African citrus performance and long term wellbeing was required. As reported openly by the Commission and EU Member States alike, the Standing Committee on Plant Health under DG Sante was increasingly politicized. This resulted in rules and policy that were no longer based on science, but largely the results of MS compromise and voting – which is highly contrary to the expected running of a science based committee. This kind of conduct can be expected and motivated in Trade and/or Foreign Affairs committees, where socio- economic consideration are to be addressed, but very difficult to accept or understand when occurring in so called science based committees.

Two alternative routes were investigated, trialed and used to get the South African citrus message across to the EU Commission. Both were promising and it will be further explored in 2020. South African citrus needs to build recognition of its practical approach on sustainable risk mitigation as well as its capacity to create and manage such systems.

6. Clean Corridors Project

The CGA/CRI again partnered with Groentenfruithuys, Wageningen University and KCB to measure the possible risk South African citrus poses to EU Plant Health on FCM. This project has high priority in the Netherlands to test their approach for practical and minimum intervention on low risk plant and plant product supply lines into the EU. It uses various intercepted and non-intercepted South African citrus fruit samples to profile a possible plant health risks. The 2019 project was highly useful for CGA/CRI as it concluded to not be successful in isolating a single live FCM larvae from all the random samples analysed. This underscored the FMS's effectivity in its combined measures to destroy the life cycle of FCM. Those 20 deviations (interceptions) on official EU samples were worrying but

hopefully it's as the after season audit revealed from a small number of repetitive stakeholders and with the adjustments to the FMS will address compliance in South Africa. We have high expectations of being more effective in 2020.

7. Establishing of the WCO

The abandoning of the direct South African citrus shipments to Spain in 2015 lead to a subsequent unfriendly Spanish press and "more noise" from the smaller and even more fragmented Spanish grower organisations. The CGA has worked hard to re-establish a good working relationship with the Spanish NPPO and the larger and more progressive/professional Spanish citrus grower representatives. Various projects were pursued, amongst others the new direct shipping to select Spanish ports. Working on areas of common interest (amongst other lemon volumes and counter season supply) and increasing communication about South African statistics with both the Spanish NPPO, Freshfel and notably Allimpo (Spanish Lemon and Grapefruit Grower Association), lead to a very good and trusting relationship. Thus following initiatives from the CGA Executive, the possibility of forming of a world citrus body, the World Citrus Organisation (WCO) was suggested to Allimpo and Freshfel. They warmly took to the idea which lead to the exploratory meeting of interested parties during the "Fruit Attraction Fair" in Madrid in October 2019 and the final founding meeting in Feb 2020 in Berlin.

At last South Africa could have an official platform to discuss matters of common interest with growers around the globe, without unnecessary political agendas. This has brought huge political pressure on the Spanish participating members, but with the huge buy in from world citrus growing countries, the ship for future and progressive citrus stakeholders has left the port. Those staying outside and behind will just increasingly find themselves isolated.



CITRUS RESEARCH INTERNATIONAL

DR VAUGHAN HATTINGH
CEO



Governance and Funding

An historic milestone in the history of the citrus industry was reached when the Citrus Research International (CRI) Board and subsequently the CGA Board, approved the MEDIUM TERM STRATEGIC PLAN TO FULFILL CRI'S INDUSTRY MANDATE. This auspicious strategic plan detailed the expansive future research and technical operations required to ensure that CRI continues to fulfil its industry mandate, as reflected in the CRI Mission: to maximise the long-term global competitiveness of the southern African citrus growers through industry research and technical support services. This plan formed the foundation of the new levy proposal (starting 2021), as presented to growers at CGA roadshows in February 2020, that received overwhelming support from growers.

The structure of the Board of Directors of CRI remained the same in the 2019-20 financial year, with the exception of Louisa Mogotsi joining the board in an observer status as a Citrus Growers Development Chamber nominee. The CRI EXCO comprised five persons, with four grower directors forming the basis and the fifth place reserved for co-opting of the most recently appointed grower director. The Exco members were Piet Smit (chairman), Deon Joubert (vice-chairman), Mike Woodburn and Eddie Vorster, with Piet Engelbrecht serving as the most recently appointed director. The CRI advisory committees were chaired by the following directors: IPM - Fanie Meyer, Disease Management - Eddie Vorster, Citriculture - Piet Smit, Cultivar and Rootstock Evaluation - Deon Joubert, and Citrus Improvement Scheme Advisory Committee (CISAC) - Fanie Meyer. The balance of the board consisted of: Steve Turner - Citrus Exporters Forum, Ntahbiseng Motete - ARC,

Chris Kellerman - Citrus Consultants, Nigel Barker - University of Pretoria, Karen Theron - Stellenbosch University, and Martin Hill (co-opted) - Rhodes University.

The industry's research and technical services continued to operate under the CRI Group Alliance model with funding primarily from the levy on exported citrus as administered by the CGA. Additional funding included an extension of the Sector Innovation Fund from the Department of Science and Technology, in the form of the Research for Citrus Exports programme and the Post-Harvest Innovation programme.

Market Access

In addition to the Market Access section of this publication, a few highlights of CRI's market access actions are as follows. CRI's strategic positioning of research continued to pay dividends by enabling South Africa to successfully respond to European Union questions about the effectiveness of the FCM Management System (FMS) used by South Africa as a systems approach for risk mitigation. The development of such a systems approach for phytosanitary risk mitigation, also enabled South Africa to adopt systems approaches to new EU fruit fly regulations in 2019, as an alternative to a default cold treatment. Eleven years of persistent effort by CRI and DALRRD in pursuit of a bilateral citrus trade protocol with Philippines, progressed to agreement on a protocol that will in the near future be taken to implementation through a bilateral workplan. Persistent pursuit of improved conditions for lemon access to China, resulted in reaching bilateral agreement on an improved cold treatment condition for lemon exports to China. This agreement is pending signature by the relevant ministers, but has been delayed due to COVID-19 travel restrictions. The eSwatini National Plant Protection Organisation was supported with technical inputs on the Pest Risk Analysis (PRA) conducted for access to the USA market and also in addressing new EU phytosanitary requirements. Likewise, CRI supported the Zimbabwean National Plant Protection Organisation to comply with the amended EU regulations pertaining to Fruit Flies and FCM.



Research

The industry's exports around the world rely on the results of research to gain, retain and optimise access to markets that are the backbone of the southern African citrus industry. In the recent past, false codling moth, citrus black spot and fruit flies have been the more obvious examples of market access challenges. However, while addressing these we also need to be mindful of future challenges that we may only encounter in five or ten years' time, such as exporting fruit without postharvest fungicides or producing citrus profitably while preventing HLB from killing our trees. CRI's research remains focussed on these objectives.

During the past year, CRI's horticultural research team has been strengthened with the appointment of two technicians: Johané Niemann in Kirkwood, in the Sundays River Valley, and Vivian White in Nelspruit. They will assist in conducting trials in production regions where combinations of soil type and climate may be unique. Other research that is being conducted in Citriculture includes work on postharvest chilling injury by Prof Paul Cronjé and improving air flow in cartons and shipping containers by Dr Tarl Berry, both with a view to improving fruit quality after cold treatment for FCM. The possibility that citrus grown under nets may be more susceptible to postharvest stress has also been researched. Dr Pieter Raath, CRI's nutritionist in Stellenbosch, has been conducting research that contributes to a better understanding of fundamental citrus production practices such as water management and the basics of plant nutrition. The cultivar evaluation programme is constantly expanding to supply producers with objective, production-area specific information. Furthermore, new rootstocks have also been included in cultivar evaluations in case these prove more tolerant to HLB in the future.

Within the disease management portfolio, research in the graft transmissible diseases programme is increasingly focused on molecular techniques that can streamline diagnostic

tests of plant material for virus, viroid or bacterial diseases.

Attention is given to finding novel methods of combating HLB and its vector *Diaphorina citri*. With citrus nurseries and growers in border areas being encouraged to use yellow sticky traps to catch psyllids, the molecular identification of *Diaphorina* species and whether they are carrying any form of greening disease is becoming increasingly important. Preharvest research on improving the management of citrus black spot, *Alternaria* brown spot, *Phytophthora* and nematodes continued, and a new project on the management of *Botrytis cinerea* began.

A predictive model for optimising control of *Botrytis* was furthermore added to CRI PhytRisk to optimise the timing of fungicide applications aimed at *Botrytis* control. In postharvest research, Dr Wilma du Plooy has made good progress with the control of fungi on wooden pallets and screened various alternative postharvest treatments. She has also optimised available treatments that will need to be relied on in the event that imazalil is no longer permitted for some markets.

Dr Cheryl Lennox is also investigating alternative fungicides for the control of *Penicillium digitatum* and Dr Jan van Niekerk is evaluating new postharvest fungicides for the control of *Phytophthora* brown rot. Results from the brown rot study have





already been incorporated in an application to have existing postharvest fungicides registered for brown rot control.

Integrated Pest Management is being promoted in European markets and elsewhere that we export to, but this has not changed the consumer's expectation of a perfect looking fruit, without any insect or mite infestations or damage. Our pest management approach for FCM and fruit flies relies as much as possible on biorational and microbial techniques that have little effect on non-target natural enemies. However, even with excellent control in the orchard, a postharvest cold treatment is often required for FCM in fruit going to certain export markets. Dr Sean Moore has published results demonstrating the efficacy of cold treatments that are less deleterious than the traditional cold treatment of -0.3°C for 22 days. An alternative treatment relying on 24 h fumigation with 70% carbon dioxide in air before a 14-day cold treatment at 2°C was shown by Dr Tim Grout to be effective for FCM and fruit fly, although not at the confidence level of the longer and lower temperature cold treatment. Drs Vaughan Hattingh and Sean Moore published papers demonstrating that a systems approach for FCM control can provide risk mitigation at a level equal to or even exceeding the traditional postharvest cold treatment. Many approaches are being used to improve the

field control of FCM, monitoring and possible detection in infested fruit. Similarly, some new methods of controlling fruit flies in the orchards are being evaluated by Dr Aruna Manrakhan, in addition to alternative postharvest cold treatments. The impact of interruptions in cold treatment for fruit fly is being evaluated to see whether interrupted cold treatment does reduce cold treatment efficacy or not. Proactive research to evaluate treatments against *D. citri* on young citrus plants in Kenya is making slow progress due to insufficient infested plants. General pest populations are being monitored under nets and in adjacent open orchards in the Western Cape and Mpumalanga to see whether persistent trends can be confirmed for IPM under nets.

Further research is also being conducted on entomopathogenic fungi that could be used for control purposes without leaving any residues on fruit. In the last two seasons, the importance of mealybug has increased. Consequently, research on mealybug and other key pests such as red scale is not being neglected. Studies are also being conducted on reasons for mealybug resurgence, particularly under nets, and on augmentative biocontrol of mealybug and red scale.

Extension

The CRI extension division continued to play a pivotal role in coordinating citrus technology transfer to the grower constituency and all other role players in the citrus industry. The regional workshops in the main production regions are the primary forum for industry technology transfer. The six annual CRI Postharvest workshops were held in the main production regions during January and February, with delegate numbers reaching well over 1000. A wide range of relevant topics were covered, with very good information provided from various industry role players such as PPECB, Fruit SA and grower and packhouse representatives from each of the regions, while CRI staff across multiple departments gave excellent and informative presentations based on their fields of expertise. The CRI Integrated Pest



and Disease management workshops took place in the five main production regions during August and September, with attendance of almost 900 delegates.

The main focus was on market access and biosecurity. Meetings were held during April and May 2019 in all the production regions with the respective technical committees of each of the study groups to discuss their research needs for the next cycle. Grower participation was significantly better than in the past. The research requests that were raised by members of the Exporters Technical Panel and packhouse managers was also listed. CRI Extension continued to convene the CRI Postharvest Technical Forum, with the various forum membership groupings. Good feedback was received from the markets on the progress made with regard to packaging related issues. Postharvest extension played a facilitation role in the formation of additional packhouse forums in various regions, to improve interaction amongst packhouses, various postharvest role players and CRI Extension.

The study group meetings continued to address area-specific technical needs in the production areas.

Biosecurity

As part of proactive actions to prepare for the inevitable incursion of Huanglongbing (HLB) caused by *Candidatus Liberibacter asiaticus* (Las) and vectored by the Asian Citrus Psyllid (ACP), CRI continued its African biosecurity collaborations. During the reporting period, two surveys for ACP and HLB were conducted in Mozambique (May 2019;

March 2020), as well as one in Angola (July 2019). No HLB (Las) or ACP were detected. Similarly, a survey was conducted in December 2019 in Ethiopia in a commercial citrus growing area along the central Rift Valley region. The results showed about a third of citrus leaf samples analysed tested positive for Las, confirming earlier anecdotal reports. In early 2020, a peer-reviewed scientific publication by researchers at the International Centre for Insect Physiology and Ecology (ICIPE), reported the finding of Las in the southern coastal region of Kenya. CRI supported DALRRD to engage the NPPO of Kenya in pursuit of collaborative efforts towards scoping the possibility of eradicating the disease.

The HLB and ACP Action Plan, including the HLB Safe System for Nurseries was finalised after consultation with key stakeholders, and subsequently adopted as the official working version at the foundational meeting of the HLB Steering Committee on 30 May 2019. In the course of the reporting period, the HLB SC has met four times. As part of the action plan roll-out, CRI provided training to twelve DALRRD officials in November 2019. DALRRD surveillance will focus on non-commercial settings, border posts and residential areas. CRI has also increased trap reading capacity by hiring a dedicated trap reader in Nelspruit. A list of chemicals for emergency registration for use against ACP, the primary vector of HLB, was submitted to DALRRD's chemical registrar to initiate the process of registration. Inputs were also made to a new Regulation for Control Measures relating to ACP and Las. This new regulation was approved by the Minister in March 2020 to solicit public comments.

Citrus Leprosis (CL), known to occur in South and Central American countries, was detected on three farms in the Addo area in May 2018. CRI developed a Leprosis action plan aimed at eradication. Follow up surveys in 2019 did not detect any symptoms or mite vectors. All affected farms will be subject to follow-up audits. Several communications, informal and formal meetings were held and presentations given to create awareness about Citrus Leprosis.





A delimiting and a detection survey of African Greening (*Liberibacter africanus*, Laf) was conducted in the Knysna magisterial district in the greening free buffer zone in the Western Cape in June 2019. The delimiting survey focussed on the area where positive trees had been found in October 2018. DALRRD issued orders to the implicated owners and the trees were removed. Detection surveys were conducted in other neighbourhoods in Knysna and in Karatara, with five detections of Laf. DALRRD issued orders to all the implicated owners in September 2019 and with CRI conducted a follow up delimiting and detection survey. Trees from two other neighbourhoods in Knysna were also sampled. Seven of the 33 samples tested positive for Laf, and in October 2019 DALRRD issued the additional removal orders.

In accordance with the legislation prohibiting the presence of citrus plants in a 5km buffer zone around the Citrus Foundation Block (CFB) outside Uitenhage, several monitoring surveys have been conducted since 2018. This has been done in partnership with DALRRD and resulted in the discovery of additional citrus trees in the buffer zone. In 2019 the necessary removal orders were issued to all the implicated owners. DALRRD inspectors subsequently undertook follow up compliance visits, and have confirmed that all but one of the implicated owners have removed the trees. CRI continued to provide scientific inputs to DALRRD for the drafting of import conditions for citrus propagating material and fresh fruit to safeguard the industry against the introduction of exotic pests and diseases.

Citrus Improvement Scheme

The industry acquisition of the Citrus Foundation Block (CFB) ownership was celebrated with an auspicious event at the farm in July 2019. Following three record budwood supply years in 2016/17, 2017/18 and 2018/19, which were mostly dominated by lemon and mandarin supply, certified budwood supply declined in 2019/20 to 6.1 million buds supplied by the CFB or authorized for cutting in certified nurseries, 1.1 million less than in 2018/19. Lemon demand increased from 6% to 12%, and

Valencia from 19% to 20%, whilst mandarin supply decreased from 48% to 42%. CFB cultivar stock rose to 439 cultivars, but the top 30 varieties still comprised 91.3% of total number of buds supplied. ARC Nadorcott LS (ARCCIT9) mandarin was the most popular cultivar, followed by Eureka lemon, Tango mandarin, Midnight Valencia, RHM mandarin, Star Ruby grapefruit, Nules Clementine, Jassie Valencia, Nova mandarin and Leanri mandarin. The budwood and rootstock seed stock is constantly managed to ensure adequate supply levels. In 2019/20, 20 000 new increase trees were produced and 11 000 redundant trees were removed. To meet the demand for rootstock seed, another 1 030 trees of high demand rootstock cultivars were planted; increasing the number of seed trees from 3 731 to 4 761. As a biosecurity measure, a state-of-the-art polycarbonate greenhouse was built at CFB, as a further safeguard of South Africa's nucleus block of virus-free cultivars.





CGA CULTIVAR COMPANY

JON ROBERTS
General Manager



Our legal and financial administration has grown sharply this past year as more varieties come on stream.

The following table shows the steady increase in budwood that CGACC approved for release to nurseries. Likewise, this has increased our financial administrative activities which has required us to grow our team.

	Production years from August to April				
	2015/16	16/17	17/18	18/19	19/20
Varieties released	4	6	11	12	15
CGACC cultivars authorised to date for release	91 460	126 922	294 659	301 094	290 387

Staff

This year we sadly said farewell to Joy Danckwerts but congratulate her on the birth of her baby boy.

We welcomed two new staff towards the end of the year:

Brenda Nell originally from Durban where she worked for Bidvest in Durban port for over twenty years. Brenda has relocated to the Eastern Cape and has brought her valuable administrative expertise to the duties and PA work that she undertook at her previous company.

We also welcomed **Reyhana Vadee** in March, as we went into Lock down. She will be managing our financial administration in the Port Elizabeth (PE) office. Reyhana is not new to the

industry as she joined us from the River Bioscience office in PE. Reyhana will start taking over most financial processes from the Durban to the PE office this year.

Brenda and Reyhana have had an interesting training period having both recently joined. Given that cultivar management is quite different to most industries, it was always going to be a challenge to be trained in a foreign concept. To be trained remotely via Zoom meetings going into lock-down at the end of March was not envisaged though!

I thank growers for their patience and understanding in their dealings with Brenda and Reyhana as they managed their new processes remotely.

As shown in the table opposite, we are releasing more budwood every year. With a new batch of cultivars about to be released shortly we hope to keep up the momentum.

Last year I reported that one of the varieties we released, Early Red Lina navel, had gone from zero to sixth place. It has climbed up the sales ladder to fifth place ahead of Bahianinha Navel. We are pleased to announce that we have signed an agreement with the owners to manage Valentine Late Navel. Red Lina is the first early Red coloured Navel and ripens before Cara-Cara. Valentine Red Navel ripens after Cara-Cara. CGACC therefore have options of cultivars with pigmented rinds earlier and later than Cara-Cara. The first disease free material is expected to arrive at the Foundation Block in spring.



Bud shortages

As always, when bringing a new cultivar to release, there is shortage of budwood. We did not have sufficient Clemenson budwood but will have increased stock for the coming spring. FloridaC41519, an early seedless Mandarin, has had some interest and likewise will also have sufficient budwood.

Please contact myself, jon@cgacc.co.za or admin@cgacc.co.za to enquire on availability.

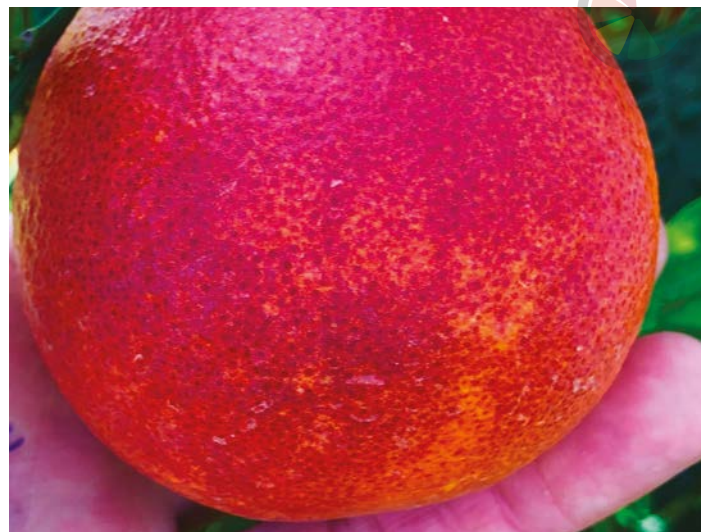
Off shore travel

To keep momentum going on the red varieties, I travelled to Sicily and Italy in late February, (and just squeaked in before the Covid tidal wave hit Italy and Spain).

The trip was hosted by the company managing our red varieties in the Med basin and was to see developments, research, and marketing plans for these cultivars.

We also travelled with our partners to CREA in Sicily to see new blood orange and soft citrus blood hybrids.

We look forward to some success in entering agreements to evaluate some of these in South Africa in due course.



New varieties on the horizon

Finally, cultivars that have been in the clean-up are coming through the pipeline. As discussed in several newsletters this past year, we have several interesting varieties coming through.

- **Lee x Nova:** USDA 88-2: An early season seedless Nova-like mandarin. The fruit is Clementine sized, easy to peel with rich, sweet flavour and juicy. It is seedless in all conditions and does not pollinate other varieties.
- **Florida 900:** earliest of the Florida cultivars, ripening 3 weeks before C4-15-19 in mid Satsuma window. In comparison to Fallglow, (Florida's earliest mandarin), it has a ratio of 14 when Fallglow is only 7 ratio. It is self-incompatible and can only be planted on its own.
- **Florida C4-15-19:** Showing improved seedless and easier peeling characteristics than Nova and Clem.
- **RBB-7-34, Mandorange, a Mandarin X Orange and potential improvement on the Navel.** It is a round Navel like seedless orange with deep orange rind colour with outstanding flavour and better brix and acid than Navel. Interestingly, RBB-7-34 has shown some tolerance in early trials to HLB in Florida.
- **RBC-01:** One of the most exciting new prospects I have seen in the last few years. Exceptional quality, easy peeling, low seeded, mid-season mandarin, with good production and to date showing only 12 seed per 100 fruit in pollinated trial site. RBC-01 is an irradiated Furr mandarin and shows all the characteristics and maturity timing of Furr. It is expected to ripen before Late mandarin in the latter part of the Navel season.
- **Kinsei:** a mid-season high quality mandarin selection of Dekopon from Brazil, chosen for heat tolerance. One of the finest eating Mandarins but requires careful management in cool areas only. Ripens before Late Mandarin selections during Navel season.





Local mutations Soft Citrus

CGACC manages several locally discovered varieties.

- Navel:** CGACC manages several early and Late Navel. The early navels, ripen with Fukumoto, Lina and Newhall, but colour up uniformly, rounder and more closed Navel ends. "Addo Early", "Sunrise early". DeWet navel, later than Washington, has a virtually closed navel end, resulting in minimal waste and sanitation due to minimal FCM, Alternaria and Mielie bug infestation in the Navel end. Several Late discovered selections are in evaluation and looking promising. Lazy Boy with good production, Suitangi and Caloma.
- Valencia:** CGACC manages a range from the earliest Valencia's, to midseason, Malinda and Maxi and also early to late seedless cultivars. All are recently certified disease free and plant material is being multiplied at the Foundation Block.
- TS Early Valencia:** Colours some 2-3 weeks earlier than Turkey, is looking extremely promising and gives the Valencia grower potential to spread the season from even earlier than Turkey. Rind is smoother than Turkey and better colour, while internals colour a deeper orange which is promising for early entry into processing. Internals are good. With 2-3 seed, productivity is also promising.
- Ngonini Early seedless,** a mutation branch from Delta ripens 3-4 weeks earlier than Delta, it has all the characteristics of Delta and daughter trees from the original mutation branch show the same cropping/production as Delta.
- Beli Valencia,** also seedless with smooth rind and good internals ripens after Ngonini and is also looking very promising.



CITRUS ACADEMY

JACOMIEN DE KLERK

General Manager



Citrus Academy Board of Directors

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

Representation	Name	Date of Appointment
CGA	Phillip Dempsey (chairperson)	2012/11/20
Donors (Citrus Industry Trust)	Alex Sithole (vice-chairperson)	2015/05/06
CGA	Cornel van der Merwe	2015/03/12
CGA	Marius Bester	2017/03/09
CGA	Bennet Malungane	2018/03/22
Service providers	Vacant	
Additional seat	Vacant	

The company secretary, Robert Miller, attends board meetings ex officio, while the CEO of the CGA, Justin Chadwick, and the chairperson of the CGA Audit Committee, Rajen Govender, are invited to attend board meetings as observers.

The following board meetings were held during the year under review:

Date	Meeting	Apologies
2019/09/25	Board Meeting	Marius Bester
2020/02/14	Strategic Planning Session	None
2020/03/23	Board Meeting (electronically)	Bennet Malungane, Alex Sithole

The twelfth Annual General Meeting of the Citrus Academy was held at Birchwood Hotel on Thursday, 12 September 2019.

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. Income is furthermore earned from delivering short courses and e-learning programmes.

In the 2019/20 financial year the Citrus Academy reported a shortfall of R139,194 compared to the 2018/19 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.

Numbers, both in terms of bursaries awarded and funding, have stabilised over the last three years. While it is pleasing that the Citrus Academy has been able to maintain these levels in spite of difficult financial times which has made fundraising more challenging, it is also worrying that we have not been able to increase the number of students that we support, even though we have increased the range of qualifications for which we provide bursaries. There is a need to identify more funding sources.

The results of the Bursary Fund remain impressive. Of the students who 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. The students who graduate through the Bursary Fund every year receive job offers very quickly, in fact we are not meeting the industry needs in some fields.

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

Year	Postgraduate Support		Undergraduate Support		BEE Bursary Support		Total	
	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	22	1 337 691	27	627 649	21	583 500	70	2 548 690
2020	24	1 529 000	14	436 000	29	861 750	67	2 826 750
Total	216	9 165 536	403	8 519 041	240	4 247 968	859	20 721 396

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 creates 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:	2019	2020
Vacation work		9	*
Internships		4	0
Graduate placements		1	0
Industry exposure programme		13	*

**2020 Academic year not completed at time of report.*

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 2019, the Citrus Academy took part in the UNISA Career Fair in June, and the AgriCAREERConnect at the University of Pretoria in September.

Pick Me!

The Citrus Academy has created a platform on its website for sharing information about job seekers and companies seeking employees. Candidates are listed as either Citrus Academy Bursary Fund graduates or job seekers with citrus-related qualifications. The CVs for job seekers can also be downloaded from the platform. A newsletter is sent to the grower community every second week with details of the candidates looking for jobs at the time. www.citrusacademy.org.za

Citrus Short Courses

The Citrus Academy has developed four short courses which are being presented on a regional basis in citrus-growing regions. These courses are the Citrus Production short course, the Citrus Packing short course, the Citrus Export Supply Chain short course and the Citrus Business Administration short course. These have proved to be very successful.

E-Learning Programmes

E-learning programmes have been under development for a number of years, with the Citrus Secondary programme and the Citrus Business Management programme already available on the platform. In 2019, the Citrus Academy collaborated

with the CRI to develop audio-visual media on Monitoring and Inspection for Phytosanitary Markets (Citrus: FCM and Fruit Fly), for which the e-learning platform has been employed to enable certification for farm and packhouse inspectors.

Learning Media - Audio-Visual Media

In the year under review, the audio-visual series on Monitoring and Inspection for Phytosanitary Markets (Citrus: FCM and Fruit Fly) was developed and added to the audio-visual library of the Academy. 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. The CRW deals with all aspects of citrus production, including research reports, extension briefs, legislation and regulations, annual reports of CGA group companies, amongst many more.





CGA GROWER DEVELOPMENT COMPANY (CGA-GDC)

LUKHANYO NKOMBISA
General Manager



The citrus industry's contribution towards transformation in the agricultural sector has been steadfast and positive.

When the CGA-GDC was established four years ago, its primary mandate was clear - to support the development of black growers within the industry. Clear targets and programmes have been implemented since then to achieve its vision of transforming the sector.

The CGA-GDC has always prioritised the needs of black growers. All programmes have been aligned to enable an environment in which these growers can operate without limitation. Specific attention is paid to their participation in the value chain and markets.

We have encountered several challenges but have overcome them through new and exciting partnerships which have played a major role in its programmes. In the year under review, we have seen substantial growth in the produce for export from black growers. We have also observed growth in the number of black exporting growers, including the hectares under citrus production from black growers, which is a good story to tell. This growth is a direct result of the programmes the CGA-GDC has implemented, which provide support to black growers across the country, in partnership with national and provincial government departments. These partnerships make a real difference in ensuring that an impact in terms of growth is realized in the sector.

Extension Support Programme

The increase in good quality export fruit and hectares of

citrus planted resulted from the programmes delivered by our Extension Technical Support Unit within the CGA-GDC. Extension services is one of the very important support systems required by a farmer of any commodity.

In order to have support that will yield positive results, a structured programme is required. Our extension unit meets growers every January in one venue and looks at areas of concentration for extension advisory support. This gathering also allows for an assessment of areas that will require further training, and advises the Citrus Academy and our Business Unit in this regard. In the year under review, a great deal of support has been provided to almost all growers through extension support programmes. This was done through the Citrus Study Group Meetings, Information Days, New Entrant Farm Support and One-on-One Farmer Support.

Study Groups Meetings

In the year under review, a total of 26 citrus study group sessions were held across the country in citrus growing regions. This amounts to 81.3% of the planned sessions. These meetings were arranged in conjunction with the citrus growers and as a result, saw a positive increase in the number of growers attending these meetings. They have gained information from these meetings, which they can then apply to their own citrus production systems. However, some challenges were also experienced here, especially with regard to the fact that growers live far from each other, making it difficult for the farmers to be in one place at the same time. The areas most affected were Mpumalanga, Western Cape and Northern Cape. In these areas a one-on-one approach was used to provide support to the citrus growers.

Information Days

Citrus Information Days are events that were started in the Limpopo, Eastern Cape, KwaZulu-Natal and North West provinces by the CGA-GDC to empower developing citrus growers with technical and marketing skills. The aim is to encourage the emerging growers, extension officers and other



related stakeholders in the industry to come together and share citrus production and marketing information with one another.

The Citrus Information Days have become established events for the citrus growers in these four provinces and are held annually. The plan is to expand these days to other provinces where citrus is grown. To date, 100% of all the planned information days were held throughout the four provinces.

New Entrant Farm Support

This type of support was given to new farmers who wanted to start farming citrus. The extension officers assisted these farmers with an assessment of their areas to see if they were suitable for the planting of the various citrus cultivars. The assessment focused on the availability of natural resources such as water, soil types and climatic conditions. A total of six farms were assisted: Siyahluma, Mhlahreng, Gubrah, Qamata Irrigation Scheme in the Eastern Cape province, and Hudzukani and Love Day in the Limpopo province.

One-on-One Farmer Support

One-on-one farm visits are important in establishing challenges that are facing farmers on their individual farms – it also provides a means of doing follow-ups on challenges raised at citrus study groups, information days and meetings.

A total of 150 farm visits were undertaken by the extension officers. The farms visited span from our southern to northern regions, (with 36 farms in the first quarter of the year, 40 in the second, 53 farms in the third and 21 in the fourth quarter).

The purpose of having one-on-one's with the farmers was to assist them with sorting out their citrus production and marketing challenges in their respective farming areas. One-on-One Farmer Support assists the extension officer(s) to:

- Familiarize himself/herself with the farmer and his family,
- Enable him/her to give specific advice or information to the farmer,
- Build up his/her knowledge of the area, and of the kinds of

problems which farmers face,

- Permit him/her to explain a new recommended practice or follow up and observe results to date, and,
- Arouse general interest among farmers, which stimulates their involvement in extension activities.

CRI Regional Extension Workshops

The Citrus Research International (CRI) hosts three regional extension workshops yearly which are utilised to better integrate developing and commercial citrus growers. The Citrus Production workshops are held in June and July, the Pests and Diseases Management workshops in August and September and the Post-Harvest (Packhouse) workshops are held in January and February.

CRI Production, Pests & Diseases Management Workshops

During the year under review, the Production Workshop and Pests and Diseases Management workshops were held together throughout the citrus growing regions (Limpopo, Mpumalanga, Nelspruit, Eastern Cape, Western Cape and KZN) during August and September 2019. The workshops were well attended by both developing and commercial citrus growers. The CGA Grower Development Company sponsored 36 developing citrus growers with the payment of registration fees while the farmers paid for their own accommodation and travelling.

CRI Post Harvest (Packhouse) Workshops

During January and February 2020, the CRI Post Harvest workshops were held throughout the citrus growing regions (Limpopo, Mpumalanga, Nelspruit, Eastern Cape, Western Cape and KZN). The main aim of the workshops was to prepare the farmers for the 2019/2020 harvesting season and to look at the previous (2018/2019) harvest season challenges. The workshops were well attended by developing and commercial citrus growers.

Value Chain Participation of Black Growers

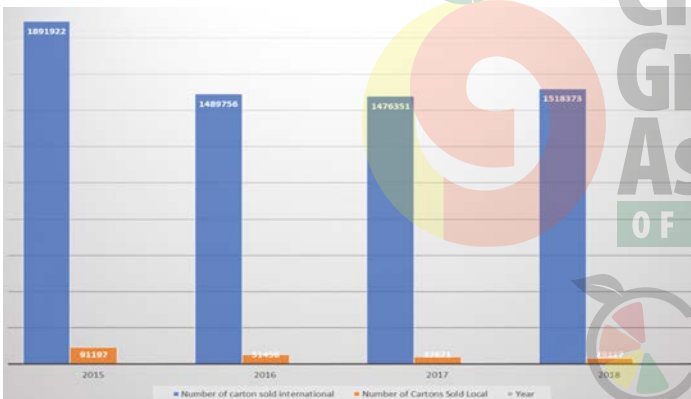
Participation along the value chain:

- The number of hectares of fruit trees under black ownership: 8 103;
- The number of hectares of new orchards planted by black farmers in 2019: 75.80

Market performance:

- Volume of export from black growers: 5.6 million cartons;
- Volume of produce sold on national fresh produce markets from black growers: 153 323 tons;
- The number of exporting farmers has risen from 50 to 76.

The Current Trends



Business Support, Training/Upskilling and Compliance Programmes

One of the most important aspects of any business is its ability to apply business principles and ensure compliance with relevant legislation. If businesses comply, it is easier for them to attract investment and market opportunities.

The business support unit continues to provide support to growers as it introduces new programmes that develop and enhance their skills with regard to running businesses. About fifteen business plans were developed by the business unit in support of growers across the country in the year under review.

Approximately 100 growers were targeted for training with the company also receiving some additional funding to offer a new course called Introduction to Citrus Business Management. This course saw 57 farmers represented and about 91 people trained.

The number of trained people is indicated in the table below:

Province	Workshop location	No. of targeted farms	No. of farms represented	No. of trained people
North West	Brits	6	5	10
Mpumalanga	Mbombela	4	6	8
Limpopo	Thohoyandou	7	10	13
Limpopo	Makhado	10	10	15
Limpopo	Mokopane	6	3	6
Eastern Cape	King Williams Town	6	8	13
Eastern Cape	Sundays River Valley	5	7	13
KZN	Pietermaritzburg	6	8	13

New Entrants to the Export Markets

In 2019, Batlhako Temo Services, a family-run co-operative, became the first black-owned citrus producer in the North West to join the export market. Their produce was exported to the Middle East and Taiwan. Previously, the produce on the farm had only gone to the local market and for processing, with offtake agreements from Sir Fruit Juice and Magalies Processing. The project was established in 2010 by six members of the Moilwa family near Brits, and today they lease 61.5 hectares of land from the now North West Department of Agriculture and Rural Development. Initially, the co-operative was focussed on sunflower production, but later saw the potential to grow citrus and seized the opportunity. The cooperative has seen their fair share of challenges in particular with low yields due to poor irrigation and lack of inputs, but due to their passion for farming, they have always found a solution. Their success can be attributed to a variety of stakeholders that have provided financial and business support, including the Department of Rural Development and Land Reform, SEDA



and technical support from the CGA-GDC. This has yielded a wide range of on-farm improvements, from the establishment of new infrastructure to increasing the area under production. The family have also been able to use their profit from sales to improve their farm. Their long-term vision is to build their own packhouse, which will also assist other black farmers in the area.

SIZA

SIZA ethical trade compliance was established for ten growers to ensure that their business operational needs are identified in order to get these growers on track for production. The programme looks at the company setup and current relationships with strategic partners and service providers. Scoping exercises were conducted of site infrastructure, labour-force, types of employees, company registration information, and GAP analysis. SIZA **environ** GAP was done for one farm. This included the development and review of Environ QMS, policies, lab results, review and implementation of an IPM plan, review and evaluate fertilizer and application results.

Farm Name

Peter Family Trust - Eastern Cape

Three Pence - Eastern Cape

Masakona - Limpopo

Intathakusa - KwaZulu Natal

Donovale - KwaZulu Natal

Thulwane - KwaZulu Natal

Bathlako Temo - North West

Healthy life for achievers - North West

Gaman 67 CC - North West

Elandskraal Boerdery - North West

Total

Audit Status

Gold

Gold

Gold

Bronze

Category A

Not Audited

Not Audited

Not Audited

Not Audited

Not Audited

5 Farms Audited

Partnerships/Access to Funding and Investments

One of the responsibilities of the CGA-GDC is to ensure that we build working partnerships that will yield positive results in supporting our developing growers. A few partnerships were formed during the 2019/2020 with positive results.

The DALRRD entered into a Service Level Agreement with

the CGA-GDC for a project aimed at targeted producer support to further achieve the vision of agrarian transformation and vibrant, equitable and sustainable rural communities. In total, 262 projects have been identified across the different commodities, including field crops, vegetables and livestock. For the citrus commodity, three projects were identified, two in KZN and one in the North West. These are projects that have been assessed and analyzed by the PMU and have comprehensive farm assessment reports detailing their capability and viability. Only projects classified as medium to large scale commercial were considered.

Additionally, two tripartite agreements were signed with the Department of Rural Development:

- North West for Bathlako Temo
- Eastern Cape for Three Pence Farm

Governance and Financial Administration

As planned, the CGA-GDC Board continues to work closely with the GM to provide advice and proper governance, while always ensuring that the company delivers according to its mandate and deliverables.

Currently the CGA GDC Board of Directors are:

Mondowafa Mashaba – Chairman

Andries (Andrew) Muller – CGA Director

Tshililo Ramabulana

Zukile Mgadle

Ntamiseni Mankhilli

The CGA-GDC board met four times this year as scheduled, on 10th April 2019, 1st August 2019, 10th October 2019 and 30th January 2020. Additionally, all committees advising the Board (including the Risk and Advisory committee) also met four times to ensure that the financial affairs of the company were properly taken care of and that any risks were identified and managed. It is worth noting that the Risk and Finance committee advised and assisted the GM to evaluate the partnerships the company signed in terms of risk assessment.

The finances of the company were also managed as planned and as stipulated by the annual operational plan.

Communication

Because we have growers across the country, and are not able to meet with them daily on their farms, we use a number of communications tools to ensure that we engage with them on a consistent basis. This is done via the GM's quarterly newsletter, Chamber group chat, the Cutting Edge from CRI, and weekly emails which keep all growers informed of all that is happening in the industry.

Conclusion

It has been an exciting and very interesting year. As a company we learned a lot and were able to overcome the challenges that we came across. All this was done through team work.

As a team at the CGA-GDC we always use the word "We" not "I", as we always do things collectively. We believe that we are not as effective if we work individually, but rather that collectively we can achieve more and will be able to continue responding to the support needs of our growers.

JOBS FUND PROJECT

The 2019 / 2020 financial year was a busy and productive year regarding the CGA Jobs Fund Project.

In April 2019, the CGA application was submitted to the Jobs Fund Investment Committee for approval. We were very pleased to receive formal approval for the project on the 27 May 2019. The project will be called the "Economic Transformation of Black Citrus Growers Project".

As the CGA has never undertaken a project like this in the past, LIMA Rural Development Agency was contracted to assist with the project implementation, management and reporting. LIMA has extensive experience in managing Jobs Fund projects.

The CGA then began the process of meeting all the conditions

and requirements contained in the formal agreement with the Jobs Fund.

Meetings and communications took place with all project funders in order to finalise agreements and funding for the project. The project funders are CGA, DALRRD and AgriSeta, with the Land Bank providing the loan portion of the project funding.

Total funding for the project is R307 million with the Jobs Fund providing R118 million and the other funders the balance.

The CGA would like to thank all the funders for their contributions to the project.

With the agreements in place, a formal project structure, organogram and reporting framework was developed. Roles and responsibilities were assigned to ensure effective project management and reporting as well as to meet the project deliverables. The project will be implemented using existing CGA structures, namely the CGA Grower Development Company, the Citrus Academy and the CGA itself.

A Project Steering Committee (PSC) consisting of all the funding and implementing partners was established. The PSC will provide oversight to the project and approve all applications for funding from the project.

All conditions and requirements contained in the project agreement between CGA and the Jobs Fund were met and the Jobs Fund gave official approval for the project to start on the 1 April 2020.

The project will run for three years and will create 329 permanent jobs, 1 397 permanent seasonal jobs and will provide training and skills development to 2 006 citrus industry workers.

The project will also significantly contribute to the further development and economic sustainability of black citrus growers in South Africa.

A project application pack and process has been developed and we look forward to receiving applications, and implementing the project in the 2020/2021 financial year.

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 usually meets twice year.

Eastern Cape

1. Eric Nohamba
2. Lawrence Mgadle
3. Luyanda Kutta
4. Khaya Brian Katoo
5. Siseko Maqoma
6. January Simphiwe Yawa

Limpopo

1. Ntamiseni Thompson Mankhili
2. Bennet Sdumo Malungane
3. Octavias Masalesa
4. Pheladi Tlomatsane
5. Walter Tshianeo Mathidi

Mpumalanga

1. Olivia Dikeledi Selowe
2. Petros Eric Shiba
3. Hlulekile Phonela Yoce
5. Simona Tiisang Selowe

KwaZulu-Natal

1. Mziwoxolo Makhanya

North West

1. Louisa Maloka-Mogotsi

Gauteng

- Motsile Joel Matlou

The CGDC Executive Committee is elected by the Chamber. Executive meetings were held on 29 July 2019 at the Inter-Continental Hotel and 30 September 2019 at City Lodge.

The meeting scheduled for March 2020 was cancelled due to the COVID-19 Lockdown.

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

Additional Members to Exec

Monodowafa Mashaba

Sive Silo from Citrus Academy was contracted by CGA to act as secretariat for the Chamber.

Agri's Got Talent 2019

The CGA Board decided to co-sponsor the prestigious Agri's Got Talent competition for the first time this year.

This was the sixth year that this very popular competition - the only one of its kind - had been held.



Amazingly, the winner was from the citrus industry! **Nonkululeko Sambo**, from KMI Farming in Nelspruit, who had never flown before, boarded a flight to Cape Town to join nine other talented agricultural workers to take part in the Gala Evening Finals that were held at the Lord Charles Hotel in Somerset

West on 2 August 2019. She walked away with the trophy in what was described as the "toughest competition yet" by the AGT organisers and judges.

Nonkululeko entered Agri's Got Talent to challenge herself, and to build up her confidence. Hailing from a musical family, her love for music started at an early age, and she sang in both her school and church choirs. "I didn't really have big singing dreams, but it was my friends and family who encouraged me to enter. So I took a chance." She won a cash prize of R5 000, clothing, make-up, life-skills and voice training, as well as a recording contract worth R15 000 from Wynand Breedt, owner of Traxtudio in Worcester.

Starting as a general worker on a citrus farm, and working her way up to complete an agricultural diploma, she is currently an intern at KMI Farming.

Congratulations to Nonkululeko Sambo for making the citrus industry so proud!



RBX GROUP

ROB ELFICK

General Manager



River
Bioscience



The RBX Group has during this year once again broken many of its previous records, not only on the financial side, but more importantly on the quality and consistency of operational and service delivery results.

Senior Management

The Executive Committee enjoyed a very stable year with no changes to the team. During the same time the make-up of the board of directors was enhanced by the addition of Eric Nohamba, who is also a CGA Board member and works closely with the Citrus Growers Development Chamber. This welcome stability in the structures of the company could not have come at a better time and the opportunity was taken to consolidate the combined strategic thoughts of this group in a strategy session that allowed for more clarity in planning the way forward after years of significant change and growth.

Middle Management

The same can unfortunately not be said for the middle management of the group. Nevill Boersma, who had been with X-SIT for many years was offered an opportunity to move overseas and after much deliberation decided to take on this fantastic challenge. While we could only be happy to see one of our own move on to new opportunities the years of experience that Nevill had accumulated cannot simply be replaced. Being the only company in the world doing FCM SIT, at the volumes that we deliver, means that replacing staff in key positions is not going to be easy. This has become especially clear in the technical support at the production site and operational management in the specific valleys where

the company operates. A focus on training and succession planning is the only way that this can be managed going forward.

River Bioscience

River Bioscience Turnover Growth



As per the above graph, using the turnover in the 2015 financial year as a base, River Bioscience has increased its turnover by over 500% in the last five years. The continued growth of SPLAT FCM and RB1 is very encouraging as producers get accustomed to working with and trusting in these two fantastic products. The technical support and value proposition selling approach by the new marketing team, backed by the enhanced business development department is also helping to open not only new areas in our traditional markets, but entirely new markets as well.

Export Sales

A big part of this year's results can be attributed to our export sales of fruit fly products. RB works with a distribution company called Savana who are based in France but operate in most west African countries. All of these sales are dependent on winning tenders for specific projects that have a defined life span, so sales in previous years can never be seen as an indication of what is to come. We have seen steady growth



in the export orders over the last few seasons, but this past season saw a significant order for the Ivory Coast. Only through a huge effort by the production team at Addo and our key suppliers, were we able to satisfy this order that needed to be manufactured and shipped over the Christmas/New Year period.

International Market Development

The registration of our new NPV virus has been submitted in South Africa and we continue to search for the best way to take this virus to other relevant areas of the world. Having recently received our patent for this virus in Europe, we are now moving ahead with registering this active substance and finalising the selection of a distribution partner for this area of the world, so that international sales of this virus will be a reality as soon as possible.

X-SIT

Consistency of Delivery

X-SIT has, for the second season in a row, delivered consistently. The sterilisation and release of the moths is a delicate procedure, but it is the process of the mass rearing of around 55 million moths a week for 44 consecutive weeks of the year where the intellectual property of this business lies. With nowhere else in the world to go and learn how this consistency and volume is achieved, it took a decade of commercial research to get it right and the team can be very proud of their achievements.

New radiation source

Moths must be sterilised before being released into orchards, while ensuring the moth is able to be competitive in the field to ensure programme efficacy. To do this X-SIT uses a Cobalt radiation source and the strength of the source dictates how long the moths need to be exposed to get the desired level of sterility. The source acquired 13 years ago, having now exceeded its half-life, is not strong enough to achieve moth sterility levels as quickly as desired and so the process

of acquiring a replacement source (from Canada) has been the major project for this past year. At this stage all milestones in this important project have been achieved and the team is monitoring every step to ensure this replacement is in position before the start of next season.

Expanding to a new region

During this season X-SIT expanded into a new area with our services now being available in the Breede River Valley in the Western Cape. With such a variety of fruit grown in this area, it is a significant new challenge that the team has taken on, but with the amount of citrus continuously expanding, it is important to be present.

Additional key services

X-SIT has for years supplied other services over and above the false codling moth (FCM) sterile insect technique (SIT). Monitoring of FCM and tracking the presence of both sterile and untreated moths in the orchards has always been a big part of the programme. It not only gives an indication of the programme's effectiveness, but also helps producers to see when there is increased wild moth activities or flight peaks that require additional interventions in line with an integrated pest management system. Increasingly X-SIT has over the last years been offering this service to non-SIT clients and also on other pests over and above FCM. These monitoring services are key in the face of the demands of the management systems required for the variety of phytosanitary pests and the number of producers making use of this service is on the increase.

Conclusion

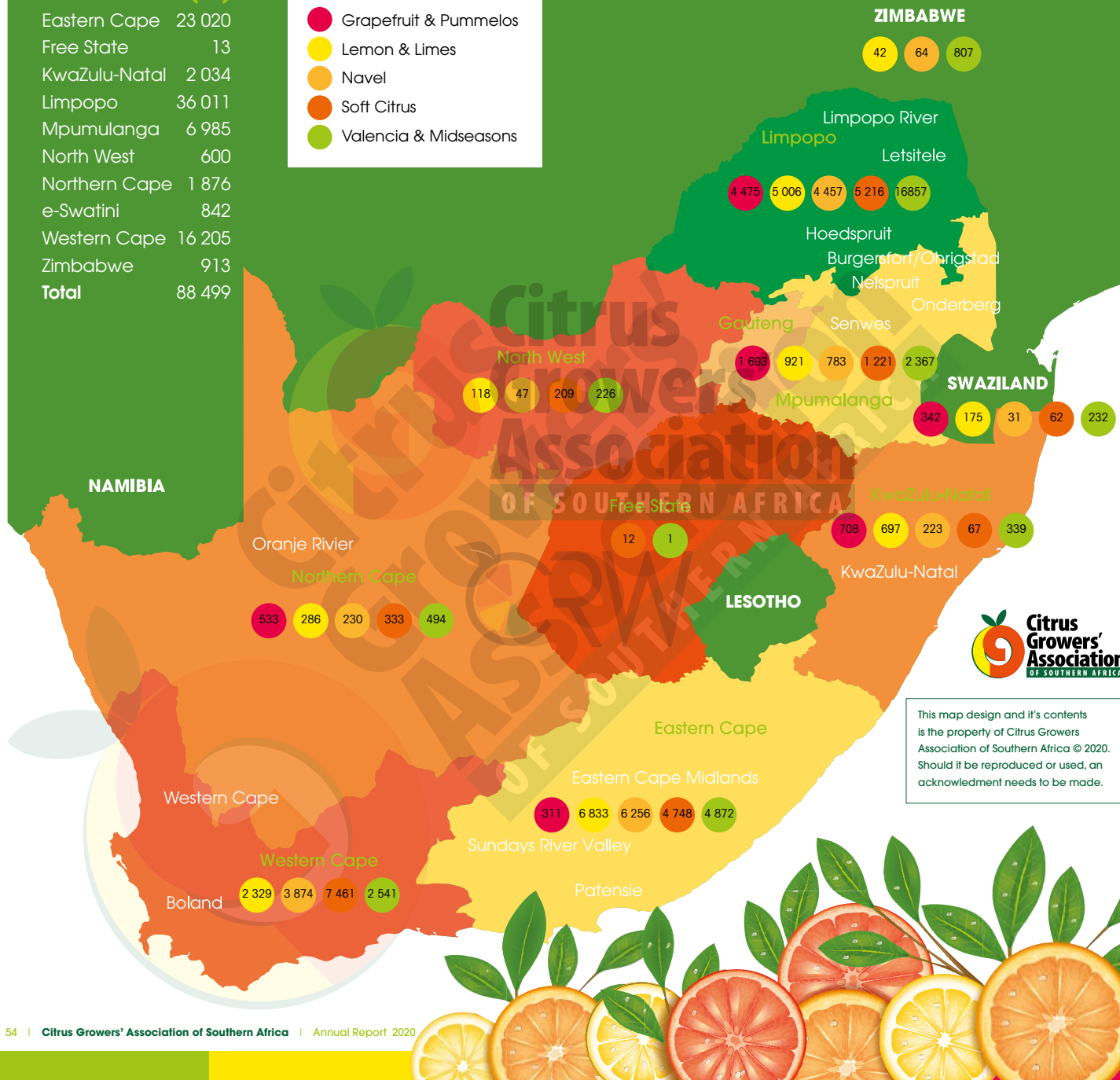
The RBX Team is proud of what has been achieved in the last year and is working hard to make its offering to the citrus and wider agricultural community even more impactful in the future.

CITRUS PRODUCING REGIONS

Province Area (ha)

Eastern Cape	23 020
Free State	13
KwaZulu-Natal	2 034
Limpopo	36 011
Mpumulanga	6 985
North West	600
Northern Cape	1 876
e-Swatini	842
Western Cape	16 205
Zimbabwe	913
Total	88 499

- Grapefruit & Pummelos
- Lemon & Limes
- Navel
- Soft Citrus
- Valencia & Midseasons



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ABRIDGED FINANCIAL STATEMENTS



	Actual 2018/19	Budget 2019/20	Actual 2019/20	Budget 2020/21
Income	97 594 944	98 420 000	94 275 723	104 720 000
RSA Levy	91 640 397	87 120 000	90 851 272	93 980 000
Swaziland / Zimbabwe Levy	1 732 221	1 200 000	1 520 659	1 240 000
CBS Provision (Drawn from reserves)	-	7 000 000	-	6 400 000
Property Income	62 398	-	163 587	-
Interest	888 758	800 000	963 508	800 000
Dividends Received - River Bioscience / XSIT	300 042	2 300 000	321 045	2 300 000
Citrus Summit Income	2 479 638	-	-	-
Other Income	491 490	-	455 652	-
Expenditure	89 547 363	98 046 075	94 769 736	104 614 385
Staff Costs	6 384 029	6 927 375	6 826 372	8 736 712
Travel & Accommodation	298 746	341 000	472 218	348 200
Office - Rent & Equipment	249 881	380 000	228 546	139 500
Office Expenses	580 250	570 000	560 179	554 500
Board Expenses	669 281	804 950	647 165	866 550
Services (Accounting, Legal & Insurance)	365 951	680 000	537 129	610 000
Subscriptions	322 981	784 000	685 685	706 970
Communication	362 152	815 000	90 836	866 500
Market Access	2 340 791	2 850 000	2 592 442	3 038 800
Market Access - CBS	4 193 490	7 170 000	4 165 619	7 472 000
Fruit South Africa	960 359	1 400 000	986 766	593 600
Research Programmes - Citrus Research International	48 685 000	52 092 950	52 092 950	55 218 527
Research: CRT Bond	-	500 000	-	500 000
Transformation - CGA	2 338 341	2 276 800	3 820 678	2 113 236
Transformation - CGA Grower Development Company	10 700 000	11 500 000	11 500 000	12 527 080
Transformation - Citrus Academy	4 300 000	4 600 000	4 804 200	5 104 960
Depreciation	102 466	120 000	102 276	120 000
Information	486 473	600 000	611 167	684 800
Citrus Summit Expenses	2 479 638	-	-	-
Regional Capacity	216 726	200 000	21 300	-
Provision for doubtful debts	(247 352)	-	(57 924)	-
Leave Pay Provision	65 458	-	252 580	-
Impairment of Loan - CGA Cultivar Company (Pty) Ltd	1 100 000	-	1 000 000	-
Impairment of Loan - Citrus Academy	(236 250)	-	-	-
Infrastructure & Logistics	1 636 567	2 739 000	2 492 606	3 729 950
Market Research	532 172	600 000	-	-
Market Development	642 057	45 000	336 946	632 500
General	18 156	50 000	-	50 000
NET SURPLUS / (LOSS) FOR YEAR	8 047 581	373 925	(494 013)	105 615

