FROM THE DESK OF THE CEO (9/16)

Justin Chadwick 18 March 2016

"It is very easy to defeat someone, but it is very hard to win someone" Dr Abdul Kaleem

CGA STRATEGIC PLANNING SESSION: GOVERNMENT

During February the CGA Board held a strategic planning session. The main focus was to identify the big issues that the citrus industry would face in the next five years, in order to guide the CGA in its next levy renewal application (the present levy cycle ends on 31 December 2016).

A number of issues to do with government were highlighted. In particular **government capacity** was a concern – both on a leadership and operational level. As with other fresh produce industries – the citrus industry is reliant on government with regard to negotiations on access conditions – whether these be of a tariff, phytosanitary or sanitary nature. While South Africa has always led with the principle of technically justification in introducing new phytosanitary and sanitary market access conditions; some receiving countries have been less inclined to consider the technical aspects of plant health and more focused on protecting uncompetitive domestic fresh produce sectors. It is then that **leadership capacity** must come to the fore. Although the South African citrus industry employs some of the world's most renowned citrus researchers, without political will much of their efforts are in vain. In order to assist the political leadership the CGA Board decided to strengthen the industry's ability to engage positively with government in order to address these political challenges. It is envisaged that this will be done at Fruit South Africa level as government leadership wants to engage with the fruit industry as a collective. Also within Fruit South Africa assistance is given to government in the form of secondment of specialists to government on order to focus on fruit industry affairs.

While South Africa watches, its fruit producing competitors are active in signing Free and Preferential Trade Agreements with all and sundry. In particular, countries like Chile, Peru, Argentina, Australia and New Zealand have been active in the Asia. This gives these competitors a big advantage in these markets. And the world is moving away from WTO type arrangements in favor of bilateral and multilateral trade agreements – The Trans Pacific Partnership and the Translantic Trade and Investment Partnership (TTIP between USA and EU) being the latest examples. Although South Africa is busy with arrangements to free up trade within Africa (the Continental Free Trade Agreement and Tripartite Agreement) these will have little immediate influence on citrus exports given the low volumes presently traded into Africa.

Although free trade agreement consultation with India have been ongoing for many years – it would seem that it is a long way from being realized, and if concluded will be limited in content.

Influencing **government policy** is also of concern to the CGA Board. Government policies of late have been extremely agriculture unfriendly, resulting in a very uncertain environment and not much appetite for investing for the future. The fruit industries have an influential role to play as a partner with government in stabilizing and growing the economy, creating jobs and ensuring rural stability. Governments' objectives are very similar to the citrus growers' objectives – we just need to find the correct platforms to engage and partner in ways that will bring both parties closer together.

Recent developments bode well for a closer working relationship between industry and government on an operational level. The Fruit Industry value Chain Round Table (FIVCRT) has brought all role-players together to discuss solutions to the issues faced by government, labor, industry and civil society. During 2012 the fruit industry developed a Social Accord. This Accord is the framework for the five work groups (worker welfare, transformation, trade, resources and research and technology) established as sub-committees of the FIVCRT. They include representatives from a wide array of government departments and government agencies. The Trade Work Group recently convened a workshop that was attended by DIRCO, DTI and DAFF. The main objective was to align government and industry priorities taking into account political, developmental and economic aspects of trade enhancement. The meeting was chaired by Elaine Alexander of DAFF, and achieved its objective.

The CEO Forum was established in order to get leadership from industry and leadership from government together in order to share experiences, challenges and opportunities. Although the Minister attended some of the earlier meetings, lack of attendance and long periods between meetings meant that this Forum lost support. However, the CEO Forum Steering Committee continued to meet on a regular basis, and matters brought to the table of the Steering Committee did get attention. Recently the CEO of Fruit South Africa has been invited to attend the Steering Committee meetings and we are hopeful that this will focus more attention on fruit related issues.

DROUGHT SITUATION

In 2015 weather forecasters predicted late summer rains in the north of the country. Fortunately their predictions have proved correct and some good rainfall has been recorded, most noticeably in the catchment areas of dams that are important for the citrus industry. Dam levels have risen slightly from a week ago in the Eastern Cape, Gauteng, Limpopo, Mpumalanga, Northern Cape and North West; but still remain well below previous year's levels. Dam levels in KZN remained the same as the previous week, while dam levels dropped in Western Cape and Free State. We hope and pray for more rains before the onset of winter.