FROM THE DESK OF THE CEO (15/16)

Justin Chadwick 29 April 2016

"When I was growing up, my parents told me "Finish your dinner. People in China and India are starving". I tell my daughter "Finish your homework. People in China and India are starving for your job" Thomas Friedman

FRUIT SOUTH AFRICA GUIDELINES ON IMPLEMENTATION OF IMO, SOLAS CHAPTER VI, PART A, REGULATION 2: SHIPPERS MANDATORY VERIFICATION OF THE GROSS MASS OF A PACKED CONTAINER (VGM) *by Mitchell Brooke*

In considering the various aspects concerning the requirement by the International Maritime Organization (IMO), Safety of Life at Sea (SOLAS) convention to verify the gross masses of packed containers for export prior to shipping, a three part set of guidelines will be published to assist the fruit industry in determining best practice to comply with the requirements; where compliance is applicable. There are three main areas which have been identified in considering this requirement and these guidelines have been drafted to assist the [citrus] fruit export industry to adopt measures in order to comply with the requirement thus making it as seamless a process as possible –

1. Implementation Guidelines to obtain the Verified Gross Mass (VGM) of Containers in terms of the IMO Requirements,
2. Implementation Guidelines to Notify Shipping Lines the Declaration of Verified Gross Mass (VGM) of Containers, and
3. Implementation Guidelines to Verify the Container Gross Mass through the SAMSA Appointed Third Party Certification and Approval Process under Method 2.

The first of the three part set of guidelines has been published with the other guidelines due to follow shortly. For more information contact mitchell@cga.co.za. The requirement to verify the mass of containers will be implemented on 1st July 2016 failing which containers will not be permitted on ships.

FRUIT SOUTH AFRICA A GOLD SPONSOR AT FRESH PRODUCE INDIA (FPI)

The South African fruit industry showed its increased interest and commitment to the Indian market as it once again was a lead sponsor at Fresh Produce India. A delegation from Fruit South Africa attended the conference and exhibition, along with key role-players from the industry. We were joined by Embassy staff from New Delhi and Consular staff from Mumbai.

Given the anticipated growth in available export volumes of southern African citrus in the medium to long term, finding growth markets is a key objective of the CGA. India is seen as offering huge potential – with present volumes of about 9 000 pallets the goal is to increase that tenfold in the next ten years. And most players in the Indian market believe that is possible.

In order to make that happen (it probably won't just happen on its own) role-players from southern Africa will need to understand the dynamics of the market. Leading exporters and export agents are already doing this by forming joint ventures or making other arrangements with partners already active in the Indian market. These "first movers" are beginning to establish a foothold in the trade and will benefit as the anticipated growth materialises. South Africa as a country and as an exporter of a range of excellent quality, well priced, safe fruit is relatively unknown in India. While attention is now mostly on citrus (oranges), pears and apples; the Indian consumer is starting to appreciate a wider range of imported product. Fruit South Africa is well positioned to lead a campaign to raise awareness of the unique selling points of the wide range of South African fruits on offer.

At the FPI conference a number of speakers revealed more about the complex Indian market. Of particular interest was the unpacking of what is called "traditional retail" – what we would probably call street hawkers. This talk revealed that there are actually a number of different formats for these traditional retailers – and each one provides a different service, requires a different offer and operates at different price points. Traditional retail includes small fruit shops (in proper buildings), fruit stalls, roadside open fruit stalls, fixed hand carts, mobile hand carts, fixed fruit basket operators, portable fruit basket operators and then seasonal fruit operators who hawk their product at traffic lights. What is clear is that these traditional retailers are industrious, entrepreneurial and hard working. They are responsible for distributing over 95% of India's fresh produce – no mean feat.