FROM THE DESK OF THE CEO (03/17)

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Justin Chadwick 3 February 2017

"A celebrity is a person who works hard all his life to become well known, then wears dark glasses to avoid being recognized" Fred Allen

GROWER MEETING: 9 MARCH

The Citrus Summit concludes after lunch (13h00) on Thursday 9 March 2017; immediately thereafter (from 13h00 to 14h00) the CGA has invited all CGA members (citrus growers in Swaziland, Zimbabwe and South Africa) to a closed members meeting where growers can address any issues with the CGA Board and staff (this closed CGA members meeting will be followed by the CGA Board meeting). Growers are urged to arrange their travel plans to ensure that they can attend this meeting. In preparation for the meeting growers are requested to send any questions or concerns to justchad@iafrica.com before the Summit – obviously growers can also raise further issues at the meeting.

DAFF TO DESIGNATE PPECB TO CARRY OUT EU ORCHARD INSPECTIONS

Explanation from DAFF: *The export of South African citrus fruit to the European Union (EU) has since 2012 been faced with additional phytosanitary measures for fruit originating outside the CBS pest free areas. These measures have put strain on the phytosanitary regulatory system of the Department of Agriculture, Forestry and Fisheries, hereby referred to as National Plant Protection Organisation of South Africa (NPPOZA).*

The European Commission's (EC) Health and Veterinary Audits and Analysis (HVAA), formerly known as European Union Food and Veterinary Office (FVO) conducted two audits on the South African compliance activities to the EU measures in 2015 and 2016 respectively since the implementation of new measures. In both audits, concerns were raised over the NPPOZA's capacity to fully comply with the EU measures due to limited human resources. Thus sustaining these activities and keeping the EU citrus market open is not feasible without adequate resources.

With the current limited financial resources, DAFF decided to delegate the responsibility for phytosanitary certification activities (orchard inspections, pack house inspection and issuance of phytosanitary certificates) to the Perishable Products Export Control Board (PPECB) for 2017 export season. This is seen as a practicable service delivery option, thus preventing the risk of losing the EU citrus market and thereby rendering citrus industry uncompetitive.

The key value out of this delegation would be to:

• Relieve DAFF capacity in terms of day to day operational activities; • Have a "one-stop-shop" for the growers, exporters and forwarding agents; • Reduced errors and turnaround times for certification.

COST OF ORCHARD INSPECTIONS

DAFF have advised industry that costs will be **R685 per orchard.** DAFF have further advised that they will no longer be charging for EU Phytosanitary Certificates (in 2016 this charge was R189 per Phyto Certificate).

CGA RESPONSE

On 27/1/17 members of the CGA Executive Committee met to consider this announcement. The following points were raised at the meeting:

- Concern regarding losing the expertise that DAFF have built up over the years; which has significantly mitigated CBS risk to the EU.
- There needs to be a Service Level Agreement between CGA and PPECB ensuring that the level of service is acceptable.
- The cost is too high, and way above 2016 levels. This is a serious concern and will be challenged. More analysis is being done by CGA to determine the quantum of the increase.
- The cost should be reflected as R/Ha – not rand per orchard. Orchards differ significantly in size. For fairness and transparency an R/Ha figure is deemed more appropriate.
- Growers should be given an opportunity to take responsibility. Most growers have on-farm personnel that carry out extensive CBS scouting; and are rewarded for identifying orchards with CBS. There must be a system that recognizes this activity – thereby reducing the cost.
- Concern regarding experience and abilities of PPECB inspectors. There must be adequate training and shadowing (DAFF and PPECB have assured CGA that this will take place); and also an interim period during which any grower challenges are considered before orchard removal.

GROWER INPUT Many growers have provided input in the process. If you have any further feedback please send to justchad@iafrica.com.

THE CGA GROUP OF COMPANIES (CRI, RIVER BIOSCIENCE, XSIT, CGA CULTIVAR COMPANY, CGA GROWER DEVELOPMENT COMPANY AND CITRUS ACADEMY) ARE FUNDED BY SOUTHERN AFRICAN CITRUS GROWERS