

FROM THE DESK OF THE CEO (03/18)

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Justin Chadwick 19 January 2018



“If your dreams don’t scare you, they’re not big enough” Ellen Johnson Sirleaf

CGA DIRECTORS FOR 2018/19

Towards the end of 2017, the following Directors were re-elected in their respective regions: East Cape Midlands – Jock Danckwerts; Zimbabwe – Paul Bristow; Hoedspruit – Fanie Meyer; Patensie – Phillip Dempsey. After representing Limpopo River for five years, Bertus Dillman has resigned from the Board. We would like to thank Bertus for his wise council and grounded advice. Guy Whitaker will replace him.

The Board also welcomes Vangile Titi to the Board. Vangi is no stranger to the citrus industry – having played an instrumental role in gaining citrus access to China in her role as Deputy Director General at DAFF; and then serving as Agricultural Attaché in Washington at the time of the difficult AGOA renewal deliberations. Vangi will add huge value to the Board.

STILL NO RESOLUTION TO THE HIGH CUBE CONTAINER TRANSPORT DILEMMA

On the 31st of December this year, the moratorium issued by the Minister of Transport to permit high cube containers to be transported on SA roads above the 4.3m regulation expires. At this time, there has been no agreement accepted by the DoT to permit the transportation of high cube containers on trailers that exceed the 4.3m regulation. As it stands the fruit industry faces a massive dilemma if the DoT do not act promptly. Through Fruit South Africa (FSA), engagements have been made with the DoT with no forthcoming responses. Furthermore FSA have been working alongside the South African Association of Freight Forwarders (SAAFF) and the Road Freight Association (RFA) to encourage the DoT to either extend the moratorium (to allow for more research to determine if there are any implications to changing the regulations), or to amend the regulations to permit ISO Containers to be transported on SA roads to a maximum height of 4.6m (as is the case of double decker buses). FSA has an application in progress for associate membership with SAAFF - SAAFF are mandated by FSA to pursue the issue in collaboration with other affected parties. As SAAFF has not received an adequate response from the Minister or the respective DG, they have written to the Chairperson of the DoT Parliamentary Portfolio Committee to intervene in the matter. SAAFF will also be addressing the matter with Minister Davies of the DTI. If the matter is not resolved with a suitable outcome, the transportation of high cube containers will be illegal if transported on trailers with a deck height higher than 1.4m. 80% of trailers used to transport containers are flat deck trailers, which mostly have a deck height higher than 1.4m.

PORTS REGULATORS (PRSA) DETERMINATION OF THE TNPA CARGO TARIFF

On the 1st December 2017, the PRSA announced that the cargo dues tariff for export container will remain unchanged (0% increase) for FY2018/19 while all other tariffs including marine tariffs have increased. The PRSA has set in motion the port tariff strategy, which aims to reduce the tariff for export containers over a period of 10 years. Furthermore, FSA are in the process of filing an application to the PRSA for the fruit export industry to benefit from the beneficiation discount programme. If the application is successful, the cargo dues tariffs for fruit exports will decrease even further.

CITRUS EXPORTS TOP AGRICULTURAL LIST

International Trade Centre (ITC) figures for 2016 show that the value of citrus exports dwarfed those of other agricultural commodities – earning a total of US\$ 1 041 680 000. Second place is taken by wine exports (US\$ 666 775 000). Followed by table grapes (US\$ 655 314 000) and pome fruit (US\$ 482 910 000). Further down the list stone fruit earned US\$ 109 183 000, while avocado's earned US\$ 94 364 000. Thirty seven percent of the total export value for South African citrus is earned from exports to the European Union (US\$ 386 915 000); with the United Kingdom accounting for 24% of the EU total (US\$ 94 183 000).

