

FROM THE DESK OF THE CEO (34/20)

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Justin Chadwick 21 August 2020



“Mistakes are a part of being human. Appreciate your mistakes for what they are; precious life lessons that can only be learned the hard way” Al Franken

CGA ANNUAL REPORT

This week the CGA Annual Report was posted to all members, and made available on www.cga.co.za. Please take some time to read the report. An extract from the CEO's Report is given below.

A word that is often used to describe the citrus industry in southern Africa is “resilient”. One definition of resilience is “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, southern African citrus industries continue 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 2020.

PACKED AND SHIPPED

Million 15 Kg Cartons to end Week 33	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PCEB/AgriHub	2018	2019	2020	2019	2020	2020	2020	2019
Grapefruit	19.4 m	16.7 m	15 m	14.2 m	13.9 m	16.7 m	15.1 m	16.1 m
Soft Citrus	14.3 m	16.1 m	20.7 m	13.9 m	18.3 m	23.3 m	23.5 m	18.3 m
Lemons	17.8 m	20.4 m	27.2 m	17.2 m	22.2 m	26.4 m	28.2 m	22.1 m
Navels	25.5 m	22.1 m	24.4 m	18.8 m	20.6 m	26.5 m	25.9 m	24.3 m
Valencia	28.3 m	26.9 m	35.3 m	18.4 m	24.1 m	50.4 m	49.2 m	46.8 m
Total	105.3 m	102.2 m	122.6 m	82.5 m	99.1 m	143.3 m	141.9 m	127.5 m

THE CGA GROUP (CRI, RIVER BIOSCIENCE, XSIT, CGA CULTIVAR COMPANY, CGA GROWER DEVELOPMENT COMPANY & CITRUS ACADEMY) ARE SUPPORTED BY AND WORK FOR THE SOUTHERN AFRICAN CITRUS GROWERS