

"I saw that leaders placed too much emphasis on what some call high level strategy, ... intellectualizing and philosophising, And not enough on implementation. People would agree on a project or initiative, and then nothing would come of it". Lawrence Bossidy.

IS TRANSNET THE BIGGEST THREAT TO THE [CITRUS] FRUIT EXPORT INDUSTRY (MITCHELL BROOKE)

We understand that there are operational issues that are prevailing within the Transnet Group, but this past week we've come to learn that the situation is more dire than originally thought. Transnet has been in a rapid state of decline in recent years. Operations at the port authority and terminals division has declined so severely that we are now witnessing massive delays to ships calling across the South African ports. Notwithstanding the disruptions from the Covid pandemic in 2020, the recent KZN looting and the Cyber Attack on Transnet's IT systems in July 2021, the present issues go way beyond that. We now know that Transnet has been a subject of mass corruption as a result of state capture. Rmillions has been embezzled out of Transnet, where to, we will hopefully find out. Transnet have conceded they are broke and do not have enough capital (or access to capital) to inject into the business to sustain it's operations. During the period of state capture, capital that should have been allocated to procure or replace items such as – tugboats, pilot boats, helicopters, ship-to-shore cranes, mobile harbour cranes, straddle carriers, rubber tyre gantry cranes, reach stackers and hauliers, was not undertaken. Maintenance and mid-life refurbishment of the current fleet of machinery and equipment in the ports was mostly ignored. So in essence, what we are finding is the machinery and equipment in place, to service the ports adequately is not there. What is there is mostly past the serviceable lifespan and now failing and breaking down continuously. The situation at the South African ports is so bad that ships spend days or weeks before calling ports and in some cases months on the coast before finally departing South Africa after completing the full port rotation. This has led to shipping lines pulling services from some of the ports and in many cases omitting to call ports due to the severity of the delays ships are encountering. Over the past few months this situation has resulted in massive bottlenecks and congestion at the ports cold stores. Considerable amounts of fruit spent a long time waiting before finally being shipped. Another issue that the ship delays caused, was the limitation in shipping lines being able to bring in empty reefer containers on time to ensure there was enough stock to export the fruit. The availability of empty reefer containers was an immense battle this past export season.

This past week Transnet Executives arranged a meeting with some of the most important sector associations to discuss the present circumstances. Apart from senior management of Transnet, represented at the meeting was Citrus Growers (CGA), Table Grape Industry (SATGI), Agriculture Business Chamber (AGBIZ), Association of Freight Forwarders (SAAFF), Association of Ship Agents and Owners (SAASOA), Automobile Association and affiliates (NAAMSA), SAPPI, Toyota and many more. The underlying message is that the poor state of Transnet's operations is seriously compromising the South African agriculture and manufacturing industries and a huge threat to the local economy. Businesses have lost and continue to lose Rmillions as manufacturing and production plants have had to stop due to the backlog in supply of components. Notwithstanding the losses the fruit export industry is facing as a result of the additional cost of logistics and quality compromised due to high dwell times. Transnet will be reengaging in one weeks' time to respond in full as to what actions are going to be undertaken to change the situation South Africa finds itself.

PACKED AND SHIPPED

End of Week 35 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB/AGRIHUB	2019	2020	2021	2020	2021	2021	2021	2020
Grapefruit (17kg)			15.4 m		14.2 m			
Grapefruit	16.8 m	14.9 m	17.5 m	13.8 m	16.1 m	18.0 m	17.6 m	15.5 m
Soft Citrus	18.0 m	23.1 m	30.0 m	22.0 m	27.2 m	30.5 m	30.3 m	23.6 m
Lemons	21.6 m	27.7 m	30.4 m	25.8 m	28.3 m	30.2 m	30.6 m	29.6 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

Navels	24.0 m	25.9 m	26.9 m	24.4 m	24.4 m	26.3 m	27.1 m	26.2 m
Valencia	40.2 m	44.0 m	49.0 m	36.3 m	33.1 m	58.0 m	55.7 m	55.1 m
Total	120.6 m	135.6 m	153.8 m	122.3 m	129.1 m	163.0 m	161.3 m	150 m

