

FROM THE DESK OF THE CEO (16/22)

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Justin Chadwick 22 April 2022



“Treat all disasters as if they were trivialities but never treat a triviality as if it were a disaster.”

Quentin Crisp

BROAD BASED BLACK ECONOMIC EMPOWERMENT

CGA has renewed its BBBEE certification. This year a group approach was taken to the verification process and a new CGA group BBBEE certificate was obtained. This certificate covers the CGA, River Bioscience, XSIT, CGA Cultivar Company, CRI and the CRT.

As a group, CGA improved to a level 5 rating on the Agricultural sector BBBEE scorecard. This rating will apply to all of the companies covered by the new certificate and is valid until 30 March 2023. The new BBBEE certificate is available on the CGA website.

DURBAN PORT FULLY OPERATIONAL

“The port of Durban is now fully operational” was the message from Minister Gordhan (Department of Public Enterprises (DPE)) as he finished his visit to the flood ravaged city. The DPE, Transnet and EThekweni Municipality must be recognised for the speed with which they reopened the main feeder road to the container port terminals (Bayhead Road), made alternative detours possible as the repairs were affected and responded to the challenges from the flooding. The flooding had caused a length of the two ingoing lanes of Bayhead Road (over a canal) to wash away, while the two outgoing lanes were being assessed in terms of their safety. Ahead of schedule the two outgoing lanes were reopened, allowing traffic to flow in and out of the port – under strictly controlled conditions to ensure safety and reduce congestion. Work on the ingoing lanes is proceeding well and what was predicted to take a few months to achieve, is now expected to take a few weeks. While the repairs were being undertaken, alternative routes through residential areas were used to ensure that fuel was delivered (following panic buying in KZN after rumours of fuel shortages), as well as other essential cargo. The citrus industry thanks all those involved in this speedy rehabilitation.

While the port may be fully functional, it will still be some time before the logistics system returns to some form of normality. The container depots were not spared the might of the floods, and social media has been full of photos of containers drifting on freeways, container stacks collapsing to the ground and containers scattered around the depots. The latest assessment is that three of the ten container depots are fully functional. The rest are working hard to get back into operation. For some it is a case of getting water and electricity reconnected, while for others there is longer term structural work that will need to be done. Water and electricity are essential in terms of preparing the containers for export citrus, PPECB inspectors check the cleanliness and integrity of the containers before certifying that they can be utilised for citrus exports.

The other concern is with regard to empty containers. Many containers have been damaged, and assessments are being done to determine how many can be utilised and how many will be decommissioned. Evacuation of imports was also delayed impacting on container availability, which is further exacerbated by vessels missing Durban port altogether. Most cold stores were not structurally damaged from the floods, and continue to receive fruit. At the moment there is still capacity to receive more fruit, the situation will be monitored to ensure that fruit arriving in Durban can be stored. There is one cold store that was under water. Exporters are advised to liaise with their cold stores before trucking fruit to Durban. Unfortunately rail infrastructure has been severely damaged, and at the moment rail is not an option. Transnet Freight Rail is working hard at repairing the infrastructure, but it will be some time before the network is repaired and is fully functional. Maydon Warf Fruit terminals and Fresh Produce Terminals are both functioning normally – meaning that specialised reefer vessels can be loaded and despatched with no delay.

On Thursday afternoon over 200 delegates joined a virtual meeting discussing all of these factors – thank you to all those who participated, and to those supply chain partners that provided insights and updates. A follow up meeting will be held on Thursday 28 April at 15h00. If you would like a recording of yesterday’s meeting, or a link to next Thursdays meeting please contact Mitchell Brooke – mitchell@cga.co.za

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’