

ED'S NOTE

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This year has been a difficult year for Southern African citrus growers. In March 2021, it was predicted that our local citrus industry would break all previous export season records - with an estimated 158.7 million cartons in 2021. And while the demand for our produce overseas is a wonderful testament to the quality of South Africa's citrus fruit, the global demand for South African citrus was not enough to prevent an array of extenuating circumstances from affecting our ability to get our fruit to these markets this year.

In our final newsletter for 2021, we will be looking into the obstacles our citrus growers have had to overcome in order to successfully complete this year's export season. These include a cyber-attack against Transnet and the widespread violence and looting that rocked pockets of KwaZulu-Natal and Gauteng in July. The protectionist import measures by the EU have also weighed in heavily here - and this month we provide our readers and growers with a full update in terms of how this impacts our local citrus industry, and developmental growers in particular.

That being said, this difficult climate has certainly not prevented the continued growth and success of our industry across several other fronts. We have the privilege of sharing several exciting success stories - including that of a five-member co-operative that has become the largest black owned citrus farm in the country, and is now exporting their fruit to Taiwan and the Middle East.

We also touch on the stellar achievements of the Citrus Academy, which since its inception in 2006, has granted over 900 bursaries to more than 320 students enrolled for industry-specific qualifications (from basic degrees to PHD qualifications). We are also thrilled to announce that 65% of the successful bursary applicants for 2022, are female.

Lastly - but certainly not least, we provide a brief update on the Global Citrus Congress, which took place digitally in mid-November. This annual event brings together hundreds of delegates from across the world to discuss all issues relating to the regional sustainability of citrus industries throughout the globe.

As the 2021 citrus season comes to a close, we hope that local citrus growers will have the opportunity to rest and reset, before they begin their preparations for the 2022 season. While next year may bring new challenges, the local citrus industry of Southern Africa will continue to respond with unity, strength and great resilience. We have a proven ability to adapt to changing circumstances, and nothing will prevent us from delivering our citrus fruit to all corners of the globe.

It is on that note that the CGA-GDC looks forward to continue working with all our partners to further our goals and objectives in 2022. I would like to wish all our readers a happy festive season and prosperous new year.

Lukhanyo Nkombisa
General Manager
of the CGA Grower
Development
Company



MESSAGE FROM THE

CGA CEO



Despite an extremely difficult season that put the entire industry under severe strain, Southern African citrus growers delivered 161.6 million cartons of local citrus across the world during 2021, an increase of 18.6 million cartons from 2020. This remarkable achievement follows a very difficult year marred with several complex challenges. Local citrus growers faced various obstacles - including the global shipping crisis, stringent phytosanitary measures by the European Union (EU), as well as serious operational challenges at South African ports.

The challenges growers faced at the ports were compounded by the waves of violent looting that affected pockets of KwaZulu-Natal and Gauteng in July. This was followed by Transnet declaring a force majeure across all ports as a result of a cyberattack, which coincided with the height of the citrus export season. These challenges had a major impact on the timely arrival of fruit in overseas markets, which, unfortunately, negatively affected grower revenue.

That being said, growth was seen across a number of citrus varieties with 29.5 million cartons of soft citrus exported which was an increase of 5.9 million cartons from 2020. Grapefruit volumes also increased by almost 16%, with 17.2 million cartons shipped this season. A record 27.2 million cartons of navel oranges were also packed, up from the previous record of 26.7 million cartons shipped in 2018. Export volumes of lemons also increased by nearly 5%, with 29.7 million cartons shipped in 2021.

Despite this impressive growth, the global shipping crisis saw logistics prices soaring, while the slow turnover of ships caused backlogs at ports across the world. As a result, growers experienced a dramatic increase in logistics prices. A global shortage of containers also meant that cargo had to be stored at ports for longer periods and at a greater cost to our growers.

Given such difficult circumstances, fruit arrived late in a few markets while there was an evident under-

supply in others. Such challenges, of both a local and global nature, also resulted in an over-supply in some markets, which consequently drove down prices for lemons and soft citrus. As a result, the increased volumes of citrus exports in 2021 did not necessarily translate into higher returns for local growers.

Given these challenges, the fact that the local citrus industry achieved another record breaking export season in 2021 is truly remarkable. This was only possible due to the close collaborations and partnerships within the industry, with government and the extraordinary efforts of growers.

With the local industry expected to export 200 million cartons of fruit within the next 5 years, it is critical that the challenges experienced during this export season are resolved ahead of next year. The CGA remains committed to working with all stakeholders and partners in government to ensure the local industry continues to grow from strength to strength - even when under duress.

After a particularly challenging year, I would like to thank growers for their perseverance and commitment to continue delivering fruit to local and international markets. I wish all of you a blessed festive season with your loved ones.

Justin Chadwick

CEO of the Citrus Growers' Association
of Southern Africa



INSIGHTS FROM THE GLOBAL CITRUS CONGRESS

2021

The annual Global Citrus Congress (GCC) recently took place on the 16th and 17th of November this year. The event was streamed live from London, Los Angeles and Melbourne, allowing viewers and participants the opportunity to pick their most convenient time to participate in the congress or to watch it from their homes.

The GCC brought together key players within the global citrus industry, with the aim of connecting experienced industry stakeholders who were also able to share their experiences and expertise with a global citrus audience.

The first ever GCC was held on the 5th of November 2020, following the outbreak of the Covid-19 pandemic, which shut down international travel and in-person conferences. Despite having to host it virtually, more than 1 300 delegates from 59 countries attended. This year, 1 400 attendees, including producers, exporters, importers, retailers and service providers attended the virtual conference from 74 different countries across the globe.

This 2021 GCC focused on the latest trends, challenges, and opportunities for the citrus sector. The opening session of the first day (on Tuesday 16th November) saw an in-depth discussion on production and marketing trends for fresh and processed citrus, including a panel discussion with key producing countries about the Northern Hemisphere 2021 citrus season.

During the second day of the congress (Wednesday 17th November), discussions focused on the issues facing citrus businesses in Asia, Europe and North

America. Each region was afforded a 2-hour slot to discuss the circumstances affecting the sustainability of their businesses in each geographical area.

Asia's session focused predominantly on key market developments and branding trends, with speakers including Wayne Prowse (Fresh Intelligence), Neil Barker (BGP International), and South Africa's own Hannes de Waal (representing Sundays River Citrus Company).

The European representatives focused on post-harvest trends with key sector representatives from Agrofresh, Apeel, Citrosol, Decco, Jansen, and the Dutch Fresh Produce Centre. During Europe's session, WCO's General Delegate Philippe Binard shared insights into citrus consumption trends and key promotion strategies with market leaders from across the citrus value chain.

Lastly, the North American region provided detailed insights into US citrus market trends with a key focus on easy peelers, lemons and limes.

World Citrus Organisation (WCO) Co-Chair and CEO of the Citrus Growers' Association of Southern Africa Justin Chadwick shared: "After the success of the first edition in 2020, the Global Citrus Congress is on the right track to become the key annual event for the community to strengthen the position of citrus fruit in an ever-competitive, challenging environment".

WCO Co-Chair Jose Antonia Garcia also shared that he remains hopeful that next year's GCC will be held in-person.



GLOBAL CITRUS CONGRESS 16-17 NOVEMBER 2021

FIVE-MEMBER

CO-OP IN THE NORTH WEST EXPORTS LOCAL CITRUS TO TAIWAN AND THE MIDDLE EAST

A five member farming co-operation in the North West province, Batlhako Temo, has started selling its citrus fruit internationally, after less than 10 years in the citrus farming business. The project, founded in 2010, was funded by the National Department of Land Reform and Rural Development through the Proactive Land Acquisition Strategy program (PLAS) in 2012, and the North West Department of Agriculture and Rural Development which assisted the co-operative on two occasions - with Comprehensive Agricultural Support Programme funding (CASP) to improve their irrigation system.

Since then, Batlhako Temo team leader, Isaac Moilwa, has shared his enthusiasm and passion for citrus with the expanded farming community in Brits. Moilwa has called on members of South Africa's agricultural industry to come together to find creative ways to navigate the challenges posed by the global outbreak of Covid-19, while addressing the economic challenges our nation is currently facing. Moilwa argues that it is only by working together with different stakeholders in the public and private sector that one is able reap positive outcomes within the South African economic environment.

When asked about the challenges he is currently facing, Moilwa outlines that climate change is certainly one of the most difficult factors to contend with within the farming sector. The weather patterns currently force local citrus growers to constantly adapt their agricultural processes - while some weather phenomenon's, such as hail in the past year, have outright damaged overall production

figures and has negatively affected grower income as a result.

That being said, Moilwa's five-member co-op has seen great success on the international stage, and is currently exporting citrus fruit to Taiwan and the Middle East. These markets provide the best source of income, and have characteristically shown to increase their demand from the co-op year on year. Moilwa has shared publicly that it is their international client base that has helped their co-operative grow from strength to strength. They currently employ thirteen permanent staff, fifty packers, and twenty additional seasonal workers when required. Moilwa's co-op is now the largest black-owned farm exporting its fruit to international markets.

When asked about the factors that have influenced Batlhako Temo's success, Moilwa shares that as a co-operative, they decided to conduct business in a strict manner, with a constitutional framework, policies and responsibilities underpinning the actions and responsibilities of each of its five directors (consisting of three women and two men). He believes that this structural component to the co-op helped provide direction and leadership at all times, overall several years.

Moilwa and his team believe that persistence, hard work and sacrifice are the keys to successfully growing a business, and that close cooperation has helped their team achieve the milestones they have reached today - despite several challenges.



Four of the five members of the Batlhako Temo co-op in Sanddrift, Brits.



EU'S

IMPORT MEASURES AFFECT 5 DEVELOPMENTAL GROWERS IN SA

Since the start of the Covid-19 lockdown, South Africa's agricultural industry has been one of the few sectors that has experienced a real GDP growth rate of 13.1% - while the country's economy contracted by 7% last year alone. This agricultural growth, within the citrus industry specifically, is projected to continue. Within the next 5 years alone, South African citrus growers are expected to export 200 million cartons of fruit to key markets across the world on an annual basis - an increase of 54 million cartons when compared to the 146 million cartons exported last year.

Critical to this growth is retaining and optimizing some of our key markets, one of these being the European Union (EU). Currently, around 44% of citrus imported by the EU comes from South Africa, with the potential to export an additional 80 000 tons of lemons and soft citrus to the EU within the next 3 years. This move would help generate an additional R1 billion in export revenue for South Africa and would help create 4 000 new job opportunities. However, there is a serious threat to the growth and expansion of South African citrus fruit to the region – that being the EU's import measures on citrus black spot (CBS), which are currently being imposed on local growers.

Many may already have an understanding of CBS - but for those unfamiliar with the term, CBS is a fungal disease that can be transmitted through the movement of infected plant material. It is largely a cosmetic issue that effects a tiny percentage of fruit exported, largely as a result of South Africa's world-class control measures. Despite the fact that there is scientific evidence that citrus fruit without leaves is not a pathway for the spread of the pest, the EU has continued to unreasonably enforce extremely restrictive measures on citrus fruit being exported from countries where the pest is found.

That being said, local South African citrus growers have implemented a comprehensive CBS risk

management programme. These proactive measures cost the local citrus industry close to R4 billion annually and have resulted in relatively low numbers of interceptions being recorded over the past few export seasons. Unfortunately, due to a number of unforeseen events including heavy rains at the start of the year; the rioting and looting that broke out across KwaZulu-Natal in July and the cyber-attack against the government ports authority Transnet, there has been an increased number of CBS interceptions during the 2021 export season.

Sadly, 8 of these interceptions were from a batch of fruit that originated from the farms of five emergent black citrus growers in the Eastern Cape. As a result, these growers have lost market access to the EU and with this region being the main overseas market for their farms, there is the real threat of these farmers, and the workers they support, becoming innocent casualties of these highly discriminatory measures. This unfortunate reality is playing out in South Africa, even though members of the World Trade Organisation (WTO) have historically agreed not to impose sanitary and technical barriers to trade that are discriminatory in nature and not based on sound scientific evidence.

The EU's CBS import measures against our country currently violate the main tenets of the conditions as set out by the WTO. Some of South Africa's trade partners in the EU have also raised their concerns over these punitive market access conditions and are assisting local citrus growers with finding ways to address this matter. However, it is crucial that our national government prioritises the swift and amicable solution of this dispute with the EU in order to safeguard the future of our black citrus growers and industry as a whole.

The Southern African citrus industry will be notified of the final outcome of this dispute following national government's meeting with the EU Commission in mid-December 2021.





UPDATE ON THE CITRUS ACADEMY

BURSARY FUND

The Citrus Academy is a non-profit company established in 2005 by the Citrus Growers' Association of Southern Africa. The Citrus Academy was conceptualised with the sole aim of enabling and empowering human resource development in the Southern African citrus industry.

The Academy is tasked with addressing specific challenges faced by the industry - this includes low production skills levels, employment equity, scarce and critical skills, black economic empowerment, and the quality of skills delivery.

One of the ways in which the Citrus Academy addresses some of these challenges, is by creating and maintaining a steady flow of educated and qualified young people into the local citrus industry. While the Citrus Academy is not an academic institution, it does offer bursary support to students studying towards agricultural-related qualifications at tertiary institutions in South Africa. This is achieved through the BEE citrus enterprise bursary support for current citrus growers and through tertiary education bursary support to new, qualifying, students.

The BEE citrus enterprise bursary support assists BEE citrus enterprises with the development of their internal capacity, by providing financial support to individuals working within the enterprise, to access quality formal education. This differs slightly from the Tertiary education bursary support

offered to students, which provides funding to cover tuition, accommodation, meals, books, stationery, research costs (for postgraduate students only), and other expenses related to a students' studies.

Since its inception in 2006, the Citrus Academy Bursary Fund has granted over 900 bursaries to more than 320 students enrolled for qualifications from basic degrees to PHD qualifications. Of those that have graduated through the Bursary Fund, almost 70% have found employment in the citrus industry, other fruit industries, academia or government structures.

The Citrus Academy received 1373 bursary applications for 2022 and has, to date, approved 63 bursaries for next year. The courses of study for the approved applications consist of Agricultural Economics, Agricultural Management, Biotechnology, Microbiology, Horticulture, Logistics, Plant Pathology, Plant Production, Entomology, Crop Science, Industrial Engineering, Mechanical Engineering, Soil Science, Botany and Agricultural Extension. Most exciting is the fact that of the 63 approved bursaries, over 65% have been awarded to female applicants.

The Citrus Academy looks forward to continue playing a critical role within our local citrus industry, by making tertiary education more accessible to citrus growers and workers within our sector.