

Newsletter

September/October 2019



In attendance were (l-r): Lukhanyo Nkombisa (GM: CGA Grower Development Company), Konanani Liphadzi (CEO: Fruit SA), Vangile Titi-Msumza (Vice Chairperson: Fruit SA board) and Mono Mashaba (Specialist Consultant: Market Development).

Budget Vote Speech

In her speech, Minister Thoko Didiza recognised market access as an economic indicator within the agricultural sector; and in line with our industry focus of optimisation of the Asian market, the Minister underscored the need for increased trade by SA in countries like China.

With regard to transformation, she called for a more diverse food value chain, to ensure a sustained economy for our sector. The Minister also shone the spotlight on means of financing the sector, as well as ethical conduct.

Fruit SA sponsored and attended the Budget Vote cocktail event, which took place later that evening.

Budget Vote debates take place after the relevant Minister has delivered their speech. They provide an opportunity for Parliament to discuss and formally adopt government departments' budgets, as well the entities that are funded through a parliamentary vote. The debates provide an important snapshot for Parliament and the public around the departments' actions, their performance and how public money is being spent. The speeches and debates are followed by a vote on the whole budget.

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CEO's Note

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TRANSFORMATION



Thembisele Mokheseng, SATI bursary recipient and full-time employee

SATI Bursary

First permanent employee who's a former bursary recipient:

Transformation is a significant part of the fruit industry's three-pronged growth agenda (along with strengthened ties with government and market access).

It's for this reason that the South African Table Grape Industry (SATI) is providing bursaries to several eligible students at different tertiary institutions, across the country. They're proud to have spent R550 000 on 10 black students (seven women and three men) in the 2018 academic year.

Thembisele Mokheseng is the first full-time employee emanating from SATI's bursary programme. She's an agricultural technician who's just completed her first table grape season. Recipients of the bursary generally find employment elsewhere in the value chain.

Her first exposure to agriculture came in the form of visits to her grandfather's farm. A livestock farmer, he loved having her over during school holidays.

Then, at high school someone did a talk about agricultural branches and Thembisele gravitated towards viticulture and oenology.

She registered for a BSc Agric. degree in Viticulture and Oenology at Stellenbosch University. But in her third year of study she decided to concentrate fully on Viticulture. It's then that she met a student who had received a SATI bursary. She applied and was accepted.

The bursary made it possible for Thembisele to continue in pursuit of actualising her dream of becoming "an integral participant in the agricultural sector". "It also allowed me to narrow down my studies to viticulture, which was what I had in my heart," she says.

In her role at SATI, Thembisele's hunger for knowledge promises to stand her in good stead in the industry.

MARKET ACCESS



Derek Donkin, CEO: Subtrop

The subтроp industry echoes focus on market access

Our subtropical fruit industry certainly echoes industry sentiments when it comes to the significance of market access. Their Market Access Steering Committee recognises robust relationships at senior government level as the underpin for success in penetrating new markets.

Derek Donkin, Subtrop CEO confirms an intensified industry focus on gaining and retaining market access for litchis, mangoes and avocados. He draws attention to cultivar development as a conduit for aligning varieties to the right markets. This includes adhering to phytosanitary requirements and maximum residue levels (MRLs) in export markets. Non-compliance with the latter two could cost us existing markets, cautions Derek.

Challenges around market access include a lack of protocols in emerging markets (an impediment when it comes to border crossings for fresh produce); and policy uncertainty.

On the bright side, the US and China markets hold growing promise for the export of avocados, for our subtropical industry.





EDUCATION



(L-r): Nomsa Mogola (Fruit SA) and Londiwe Ngcobo (Citrus Academy)

University career fairs

Fruit SA is committed to playing an active role in contributing to the integration of young minds into the industry.

One way in which the industry is reaching out to young people, is through participation in university career fairs, like we did during the recent UNISA Career Fair.

It's an opportunity for the industry to inform students regarding relevant bursaries, training and career opportunities, as well as to introduce key players in the industry.

These events are targeted at final year, postgraduate students and those who have already obtained their qualification. Through these events the industry is able to connect students with relevant organisations, in preparation for the world of work. Fruit SA exhibitors had Q&A sessions with students, farmers and potential farmers visiting the stall. Importantly, information on students and those visiting the stall was collected for future correspondence.

From engagements with the students, it's clear that there's a lack of funding for agricultural projects, particularly for black students.



(L-r): Nomsa Mogola (Fruit SA) and Londiwe Ngcobo (Citrus Academy) and Pheladi Machipyané (Fruit SA)



(L-r): Nicholas Dicey (Hortgro Chairperson), former Western Cape Minister of Economic Opportunities: Berverley Schäfer, and André Smit (Hortgro Stone Chairperson)

Hortgro: Student Development

Hortgro has provided just under R26.5 million worth of bursaries to a total of 485 students, over the past seven years.

Twenty-seven undergraduate and 52 postgraduate students have benefitted from Hortgro's R5.3 million spend this year. The postgraduate students are linked to Hortgro's research programme.

Says Hortgro Executive Director Anton Rabe, "This is one of my favourite functions in the year where we are humbled by the little bit we can do with regard to training and empowering the next generation". "I'm certainly proud of our bursary programme, and we will try our best to maintain our track record."

Referring to a strong collaboration with the Western Cape Department of Agriculture, he added: "We are working very closely together and I believe we are making a difference in the environment in which we operate."

He also expressed his pride in the bursary programme and what it aims to achieve.

Anton was speaking at an event for their bursary holders, which was attended by staff from Stellenbosch University, industry leaders, directors from South African pome and stone fruit boards, Hortgro management, and bursary holders.

In line with the industry's transformation objectives, Hortgro is also making progress in addressing the profile of their postgraduate students. Sixty percent of postgraduate bursary holders are black, with more than half being black females.

Hortgro's bursary scheme is a joint venture between the pome and stone fruit industries, Agriseta and the Deciduous Fruit Industry Development Trust. [Adapted from *Hortgro Makes R5.3m Student Investment*, SAFJ Aug/ Sept 2019].



PhytClean and eCertification

PhytClean is an initiative of Fruit SA that was developed in 2013 by the Citrus Growers' Association (CGA), when the citrus industry began working on an IT platform to capture, store and report all relevant data that is necessary for certification.

It's mainly used for registration or to demonstrate compliance with the various management systems for key markets, and it's bound to be used by citrus producers, packhouses and exporters at some stage during season, as well as by pome, stone and table grape producers.

Both PhytClean and the eCertification are IT platforms developed and maintained on behalf of DAFF by the Fruit SA IT team; and we are delighted that eCertification will be in place by October 2019.

But, behind the success of eCertification is a strong team:

- **Sean Hay** is our new eCertification Project General Manager. His role: business analysis (i.e. determining the client's requirements and feeding those requirements into a pipeline of work for the team); and providing general management for the project to assist Paul Hardman (overall Project Manager). Sean has worked on numerous IT projects and has a wide base of experience to draw on. The team is already benefiting from Sean's guidance and input.
- **Wayne Schmahl** fulfills the role of senior software developer. This additional resource is warranted by the ramping up of PhytClean work, with the addition of the Fruit Fly Management Systems for citrus and stone fruit. Furthermore, Wayne provides much needed ongoing maintenance, a significant requirement on PhytClean. His substantial business experience ensures that our solutions have global relevance.
- **Njabulo Nxele (Jabs)** is a senior software developer working between PhytClean and the eCertification platforms. He's also been providing technical support to clients when required – a function that she's started to delegate to Dominique Naidoo and Wayne.
- **Donald Mafa and Elizabeth Chibvuri:** Donald is an experienced senior software developer and has played a significant role in the development of the eCertification platform. Elizabeth is a Junior Software Developer who also assists with support calls.
- **Anveer Ramnath** is a .Net developer working closely with Donald on the eCertification solutions, and who's taken the lead in the creation of the User Authentication System.
- **Dominique Naidoo** has taken over the role of Dean Pillay, who left us in April 2019. Dominique's focus areas include client support and managing the web services (API's). She comes with experience of port operations and the IT requirements for handling product through the ports.
- **Paula Cominelli:** Paula provides administrative support for the project and arranges various activities and events on behalf of the team.
- **Thembeke Meyiwa** offers frontline support and is the voice you will most often hear when calling the CGA office. She also assists with general office tasks.
- **Keziah Naidoo** who's been the main developer on PhytClean, has progressed to an IT project manager role. She's coded most of the management systems used by the citrus and stone fruit sectors, and is currently coaching Wayne and Dominique to operate these tools.
- **Paul Hardman** is the overall project manager. Though he continues to oversee the project, he has handed over some project management duties to Sean and Keziah, to allow for more focus on his responsibilities at the CGA.

The e-Certification IT platform roll-out stands to save the industry at least R250 million, over the next five years.
[Adapted from *Big in Japan*, SAFJ Aug/ Sept 2019.]



HORTGRO Agri's Got Talent:



Nonkululeko Sambo: Agri's Got Talent 2019 winner

Songstress Nonkululeko Sambo, won Agri's Got Talent (AGT) 2019 on Friday 2 August. This agricultural worker from the citrus farm KMI Farming, in Nelspruit, wowed the judges with her remarkable singing talent.

When she boarded a plane from Nelspruit to Cape Town, Nonkululeko had no idea of the extent to which her life was about to change.

She started out as a general worker on a citrus farm, advanced to complete an agricultural diploma and is currently an intern at KMI Farming.

"I didn't really have big singing dreams, but it was my friends and family who encouraged me to enter. So I took a chance," an overwhelmed Sambo said.

Magdaleen Philander from Nonna Estate in Worcester took second place, followed by Zenobia Pietersen from Marianne Wine Estate, near Stellenbosch in third place.

The Citrus Growers' Association (CGA) was delighted to debut as a competition sponsor.

The event was held at the Lord Charles Hotel in Somerset West.

FPEF Driving innovative research



The South African fresh horticultural produce industry contributes significantly to our agricultural exports.

These industries are key employers in our economy, providing direct employment to an estimated 460 000 South Africans. It's of national importance that they remain profitable, sustainable and internationally competitive.

The Postharvest Innovation (PHI) Programme is a public-private partnership between the Department of Science and Technology (DST) and the Fresh Produce Exporters' Forum (FPEF). Its goal is to enhance the global competitiveness of the South African fresh horticultural produce industry by identifying scientific solutions to pressing postharvest issues. Project focusses cover the most established crops such as citrus and deciduous fruit, as well as the newer ones, like pomegranates and blueberries.

PHI safeguards its global competitiveness through strategic partnerships with industry associations.

More than 90 research projects were carried out in three phases over the past 10 years, since the inception of PHI in 2008. During the third phase of the PHI programme (PHI-3), 41 research projects were successfully completed, in December 2018. Phase four (PHI-4) started in January this year, with a total of 29 research projects valued at R26 586 610. Participating industry associations in this phase are Hortgro Science, Citrus Research International, Subtropical Growers' Association, Tomato Producers' Organisation, Pomegranate Producers' Association, Cape Flora SA, South African Berry Producers' Association and the Kiwi fruit industry. [Adapted from *New innovative research-PHI-4*, SAFJ Aug/ Sept 2019]





Asia Fruit Logistica



Having just attended this prominent Asian trade fair, it's clear that Asia has an appetite for our world-class fruit. We also maximised networking opportunities with international contacts.

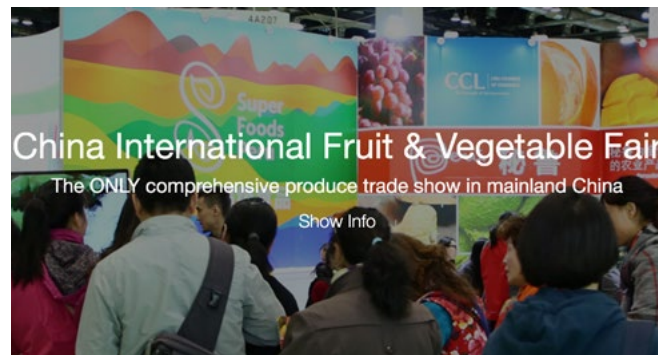
Over 800 exhibitors from about 40 countries converged to meet with over 13,000 visitors from around the globe, to do business in fresh fruits and vegetables.

But, what does attendance of Asia Fruit Logistica mean for our fruit industry?

The EU and UK have traditionally represented an important market for SA's export-oriented fruit industry. But with the EU's increasing phytosanitary requirements and a decreasing population (not to mention uncertainty around Brexit), seeking alternate markets has become critical. We hold the biggest share of the pie when it comes to total exports from the Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE) countries, to the East. Therefore, Asia – and China, in particular – with its growing population, is a critical alternate market in which to increase our share.

Fruit SA also had the opportunity to attend a SHAFFE meeting at Asia Fruit Logistica, which provided great industry insights: the all-Asia market value for temperate fruit imports currently clocks 16.3 bn USD.

China International Fruit and Vegetable Fair



Fruit SA was also represented at the China International Fruit and Vegetable Fair, where we were a gold sponsor at the opening ceremony.

Our industry representatives maximised access to industry analyses and trends, as well as critical networking opportunities with relevant decision makers.

The fair – mainland China's only comprehensive produce trade show – took place on 9-10 September.



Fruit SA stand



SA National Pavilion





CGA

Cape Town: inspection and shipment point for Japan citrus



From left: Niklaas Smit (Mouton Citrus), Faisal Asmal (CGA), Tammy le Roux (Mouton Citrus) and Boet Mouton (Mouton Citrus) at Cape Fruit Coolers.

For the first season ever, citrus growers in the Western Cape can have their fruit that is destined for Japan, inspected and loaded in Cape Town.

During the first week of June this year, citrus destined for Japan was inspected by DAFF at Cape Fruit Coolers, close to Cape Town. Previously, citrus destined for Japan had to be transported from the Cape to KwaZulu-Natal, a journey of about 1,500 km right across the country, where only two cold treatment facilities in Durban were approved to inspect and load SA citrus.

Being able to inspect all fruit destined for Japan in Cape Town (and to ship it directly), will make a big difference for producers in the Western Cape and Northern Cape provinces. This will reduce transport time and cost, and will minimise risks, placing producers on a more sustainable footing.

Mouton Citrus was the first exporter to have fruit inspected and shipped at Cape Fruit Coolers, who have over the years established firm business relationships with Japanese clients in retail. They were instrumental in guiding the process of engagement with DAFF officials to have the facility approved for shipments to Japan. A Japanese inspector audited and approved Cape Fruit Coolers in April.

This development could also pave the way for exports to Japan, of grapefruit from the Orange River and Mandarins from the Boland area, shipped from Cape Town as opposed to Durban.



CEO's *note*

Our growing production – especially in our citrus sector – is a potential economic boon, but without the markets to absorb this increase, there's really nothing to celebrate. The industry's clarion call for intensified government support to help grow market share, is now nearing deafening pitch.

Securing alternate markets requires effective negotiation of favourable trade agreements between governments (which flows from a deep understanding of both the local, as well as the targeted market).

As the recently released “BFAP Baseline Agricultural Outlook 2019-2028” document rightfully states, the growth needs of the agricultural sector have moved beyond mere plans.

“The sector will only grow above baseline expectations through dedicated and well-coordinated delivery of very specific actions and plans, executed by the commitment and combined effort of the public and private sector with real people and real capital to drive inclusive agricultural transformation and transfer of land in a just and sustainable way.”

Our competitor producer countries who are enjoying the economic tailwinds of exporting under favourable trade agreements, are gaining ground in the market. This is unfortunate, as SA has a growing supply of world-class fruit produced under favourable weather conditions.

Speaking of markets, Asia Fruit Logistica and the China International Fruit and Vegetable Fair have certainly underscored the importance of the Asian market – China in particular – to our industry.

On a celebratory note, Agri's Got Talent – our industry brainchild – was hosted last month and we proudly congratulate the winner, Nonkululeko Sambo from KMI citrus farm in Nelspruit.