

Newsletter

November/December 2019



Minister Thoko Didiza delivers the keynote address

World Food Day

World Food Day, which we commemorate on 16 October, is an initiative that was proclaimed by the Conference of the Food and Agriculture Organisation (FAO) of the United Nations in 1979. It presents a great opportunity for all of us to join – or to simply continue – the drive for achieving zero hunger.

So, this year members of the agricultural ministry and other stakeholders, led by Minister Thoko Didiza, visited the O.R Tambo District Municipality in the Eastern Cape, where the Minister delivered the keynote address. She emphasised the importance of 'working the land' in the fight against hunger, and encouraged the community to start food gardens. The Minister also visited the Pondoland Kingdom for a private meeting with King Zanozuko Sigcawu; and on the previous day she visited various households, projects and municipal offices.

Fruit SA co-sponsored this year's event and delivered a message of support at the event highlighting, amongst others, the need for a collective effort by all South Africans in the reduction and eventual elimination of food insecurity.

in this Issue



World Food Day

AgriSA Congress 2019 on 4IR

Third AFASA Conference

Forging strategic ties

Growth

SATI - first crop estimate for 2019/2020 season

SA consumers' avocado buying

CEO's Note

Contact details

E-mail: admin@fruitsa.co.za

Website: www.fruitsa.co.za

Tel: +27 12 007 1150

Address: Grain Building, Agri-Hub Office Park, 277 Witherite Road, The Willows, Pretoria, 0400

Facebook: facebook.com/fruitsa.co.za

Twitter: twitter.com/FruitSAfrica



*Merry Christmas to you.
Let's continue to collaborate
meaningfully in 2020*

Konanani Liphadzi



AgriSA Congress 2019 on 4IR

Fruit SA was part of a 300-strong audience at this year's AgriSA Congress, which carried the theme: "Shaping the South African agricultural landscape in the age of the 4th Industrial Revolution".

Calling for a future of inclusivity, Agri SA President Dan Kriek reminded the audience that 'Agriculture is our best weapon against hunger and poverty.'

In her keynote address Minister Thoko Didiza reminded the audience that: 'The agricultural sector is central to the economy. The vision that has been guiding the sector is still valid today: a united, prosperous agricultural sector.' She also fingered policy uncertainty, a regulatory environment, market access issues and institutional capabilities as some of the things that we need to address collectively.

The Minister of Human Settlement, Water and Sanitation Lindiwe Sisulu also addressed the congress. She cautioned that 'Scarce water resources and poor water infrastructure continue to hamper agricultural activity.'

Other topics that were covered included agricultural biotechnology and nanotech, future farm safety technologies, revolutionising precision agriculture through artificial intelligence, and policy development.



Third AFASA Conference

In her address at the African Farmers' Association of SA's (AFASA) third Agribusiness Transformation Conference, Minister Thoko Didiza underscored a vision that spans the last 25 years, to 'build a prosperous agricultural sector'.

Highlighting the significance of transformation, the Minister referred intermittently to the opinion piece by 2017 World Food Prize Laureate Dr Akinwumi Adesina. "No region of the world has ever industrialised without the agricultural sector being first transformed."

The Minister lamented the fact that 25 years into our democracy, the same challenges continue to hamper agricultural transformation: access to land, water, finance, research, technology, infrastructure, mechanisation, agro-logistics and relevant markets.

Echoing her maiden Budget Vote speech, she also underscored the need for meaningful conversation with landowners, in order to achieve effective land reform; a deliberate strategy that will integrate role-players from historically disadvantaged backgrounds; and the empowerment of women and the youth in agriculture.

On the topic of market access, the Minister conceded that government has shortcomings of its own when it comes to suited legislation and critical implementation.

At the same conference, Patrice Motsepe, African Rainbow Minerals chairman also announced the establishment of a much-needed fund for black emerging farmers.

The mining mogul referred to land as a 'deeply emotional issue' among South Africans, stating that politics and land are mutually inclusive.

The industry looks forward to the implementation of these plans, as we continue to progress in the execution of our transformation strategy.





MARKET ACCESS

Forging strategic ties

Thailand and the Philippines

A Fruit SA delegation visited Bangkok, Thailand and Manila, as well as the Philippines in October. They were Cyril Julius (Perishable Products Export Control Board: PPECB), Dawie Moelich (South African Table Grape Industry: SATI), Jacques du Preez (Hortgro), Mono Mashaba (Fruit SA: FSA), Justin Chadwick (Citrus Growers' Association of Southern Africa: CGA), Anton Kruger (Fresh Produce Exporters' Forum: FPEF), Elmer Carstens (Citrus Research International: CRI), and Mooketsa Ramasodi (Department of Agriculture, Land Reform and Rural Development: DALRRD).

The objective of the trip to Thailand was to follow up on market-access related matters with the Thai Department of Agriculture, as well as to meet with other stakeholders to discuss current market access priorities, challenges and opportunities.



The SA and Thai delegation

A discussion with the SA ambassador to Thailand and the embassy staff allowed for strategising around market access dialogue with the Thai Department of Agriculture. It also provided a better understanding around the economic and political developments in Thailand. The Ambassador affirmed good progress in strengthening cooperation with the Thai Ministries of Foreign Affairs, and Agriculture and Cooperatives.

At a luncheon, which allowed for informal trade discussions, team SA was joined by the embassy staff; the Ministries of Foreign Affairs, Agriculture and Cooperatives; as well as Thai importers.



FSA meeting with Bureau Plant Inspection Manila

Then it was onto Manila in the Philippines, where the team participated in the Agri-Link Exhibition 2019. The team also held a seminar to raise awareness about the South African fruit industry among the potential importers and consumers. Lobbying government regulators to expedite conclusion of market access protocols was also on the agenda. The team noted that the number of exhibitors at the event had increased (reaching approximately 1 500), with the focus being on production inputs and equipment; and the marketing of produce.

A meeting with the Bureau of Plant Inspection (BPI) followed, where Mr Ramasodi led the team. They explored ways to accelerate market access for SA produce. The proposed draft citrus protocol was also reviewed during this meeting, and it was agreed to conclude the protocol for SA citrus during February 2020.

China

Europe is SA's biggest table grape export destination (with the 2019 Fresh Produce Export Directory confirming a whopping 77% of our table grape exports being absorbed into the EU and UK). But the diversion of fruit from other markets into the EU as a result of the US-China trade war, nearly put paid to that during the last season.

It's due to these ever-changing market conditions that proactive, government-led trade negotiations and up-to-date market intelligence are so critical to our industry success.



Clayton Swart
SATI Communications Manager

In this vein, our table grape industry has been patiently nurturing the development of a favourable position for SA table grapes in China. And after Asia Fruit Logistica in September, Willem Bestbier and Clayton Swart (both from SATI), visited relevant role-players in China to discuss a market development programme in major distribution centres. SATI has confirmed that these discussions were very well received. In fact, the introduction of pilot programmes for the generic promotion of SA grapes in the coming season is now on the cards.



Willem Bestbier
SATI Chief Executive



INDUSTRY INFORMATION

Growth

Industry growth is critical to our success – it determines our ability to continue to supply jobs and remain economically relevant. Therefore, we continue to seek smarter ways of doing things that will increase our yield, while we seek profitable markets that will absorb it.

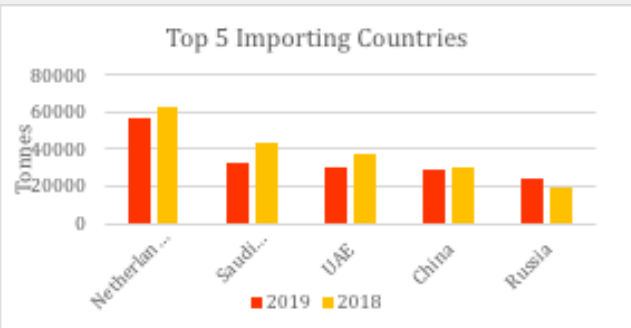
Hortgro launch at Klipboschlaagte

On 11 October the Klipboschlaagte Pro-Hort Independent Evaluation Programme was launched. It's a joint project between Provar and Hortgro. The newly established evaluation plot and first bearing trees are currently under observation. So are the newly planted trees, which include a climate adaptability trial for plums, cherries and apples.



Citrus

In their 2019 seasonal review our citrus colleagues report the Netherlands as being the number one importer of grapefruit and lemons, at 57 000 tonnes, followed by Saudi Arabia (33 000 tonnes), the UAE (30 000 tonnes) and China (29 000 tonnes). Russia clinched fifth place (rising from 19 000 tonnes in 2018 to 24 000 tonnes in 2019).



SATI - first crop estimate for 2019/2020 season

Our table grape industry is operating in a landscape that's becoming increasingly competitive, with evolved global consumer needs. SATI's first crop estimate for the 2019/2020 season reflects intake volumes estimated at between 61,05 million and 67,8 million cartons (4.5 kg equivalent).

The industry, armed with the confidence of presenting a world-class product, continues to seek new avenues for increased market access.

2019/2020 Season Estimate			Actual Packed Volumes		
Region	Low	High	2018/2019	2017/2018	2016/2017
Northern Provinces	7 150 000	7 800 000	7 120 755	6 828 762	5 537 784
Orange River	18 500 000	19 900 000	19 207 361	19 015 641	20 532 515
Olifants River	2 100 000	2 500 000	2 366 503	2 802 436	3 968 073
Berg River	13 500 000	15 300 000	13 788 759	13 052 616	15 426 175
Hex River	19 800 000	22 300 000	18 649 830	20 365 295	22 110 612
Total	61 050 000	67 800 000	61 133 209	62 064 749	67 575 159





SA consumers' avocado buying

Recent independent research conducted on behalf of the South African Avocado Growers' Association (SAAGA) has made an interesting reveal: For South African consumers, quality certainly trumps loyalty to retailers when it comes to buying avocados.

The research confirms the buying of avocados to be an emotional purchase for consumers, with quality and price being critical considerations influencing purchase decisions.

Therefore, cognisance on the part of retailers of their responsibility to ensure the supply of quality avos, is a non-negotiable for these discerning consumers. They expect retailers to prioritise the correct display of avos (with ripe ones in fridges and hard ones displayed openly).

With consumers having been found to visit stores two or three times weekly, specifically to buy avos, this is a significant bottomline issue – one to be taken very seriously.

The research further reveals consumers' keen interest in access to relevant information, like avo varieties and suited recipes. They also expect store staff to be knowledgeable about the different avo varieties, as well as their correct handling, to ensure that all-important quality.

Says Subtrop CEO Derek Donkin, "Taste, quality, health, nutrition and value for money are the main reasons why South Africans buy and eat avocados. It's important that retailers understand that correct handling, display and pricing impact turnover and profitability."



CEO's note

Market access has certainly had thematic dominance in our activities and travels, since our last newsletter.

The meeting of the Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE) at Asia Fruit Logistica honed in on trade in Asian countries, as well as the established "Asian Strategy". Competition for a share of the Asian market is fierce. In 2018 SA dominated fruit exports to Asia (along with a few others), with an increased presence in the top-15 markets in Asia. And SA's total exports to China/Hong Kong clocked 45% of total exports to key Asian destinations. Growth of 8% enabled exports of more than 650 000 tons in 2018. But only with government's critical support can SA effectively acquire, retain and optimise markets.

As for trade on the African continent, the Establishment Agreement for the African Continental Free Trade Agreement (AfCFTA) came into force in May 2019. The agreement stands to significantly boost much needed intra- Africa trade, as well as to integrate Africa's market for goods and services, creating a 1-billion strong consumer market. Our apple industry is ahead of the pack in terms of exports to the rest of Africa. The rest of the industry can follow suit, especially with regard to West -and North Africa.

A significant impediment to our industry growth is the relentless drought afflicting so many of our farmers. Therefore, the Western Cape Government's confirmation of R50 million in emergency drought relief is a welcome boon. But we've merely scratched the surface from a national perspective.

We continue to urge government to lend financial help around the drought, in order to restore job creation and, importantly, human dignity.

Have a merry Christmas.