

Newsletter

MARCH/APRIL 2020



CEO's *note*

After nearly six years of navigating the dynamic SA fruit industry as the first CEO of Fruit SA, I can only look back with pride, gratitude and a sense of nostalgia. Together, we've accomplished much and learnt some valuable lessons along the way.

The SA fruit industry continues to show great potential and its 60% export focus, distributing world-class fruit to approximately 110 countries worldwide makes this industry a serious market contender. SA also proudly holds top position in terms of export volume amongst the member countries in the Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE). This while the industry continues to navigate an ever-changing international terrain, where the goal posts could be moved at any given time.

I've had the privilege of being a part of exciting developments in the fruit industry, and for that I will always be grateful.

I've enjoyed working with and learning from you. Thank you for all of your input into having made my role that bit easier.

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Contact details

E-mail: admin@fruitsa.co.za

Website: www.fruitsa.co.za

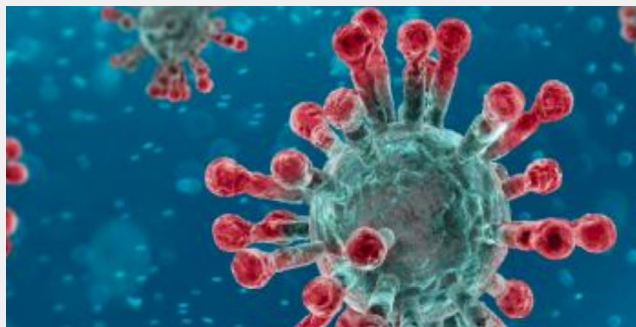
Tel: +27 12 007 1150

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





Covid-19 perspective



At the time of publication, the number of Covid-19 infections in SA stood at 1 655 (with 56 873 tests conducted), as confirmed by Government.

The pandemic has certainly forced us to stand together by staying apart.

But all is not lost. Agri SA deputy executive director Christo van der Rhee has reassuringly confirmed that the country has enough food to go around, therefore there's no need to panic. Our farmers, who continue to apply precautionary health measures, are soldiering on along with their workers to ensure that our food supply remains uninterrupted. Kudos to them.

As for food being a pathway for Covid-19, the European Food Safety Authority (EFSA) refutes the likelihood due to a lack of evidence. Rather, the virus is being spread from person to person. Therefore, the consumption of imported food in the EU continues.

The pandemic presents an opportunity to relook at how we live, do business, conduct ourselves and – importantly – treat others. On the topic of doing business, Covid-19 has also underscored the importance of transacting and communicating electronically. In fact, there's a growing need for the electronic transmission of phytosanitary certificates. And limited human capacity at various ports of entry, as well as limited courier services due to the pandemic further underscore an overall necessity for increased electronic processing, as far as possible.

Outside of regular hand washing and other relevant safety measures, Covid-19 has reminded us all of the importance of caring, sharing and collaborating (albeit remotely): ubuntu, essentially. May we have triumphant stories of personal and professional growth to share after the passing of this terrible pandemic.

To keep up to date with developments around Covid-19, please visit www.nicd.ac.za, www.who.int or coronavirus.datafree.co; call 0800 029 999; or join the government WhatsApp group by texting "Hi" to 060 012 3456.

Transformation: a group effort



A group of 18 emerging citrus and subtropical farmers, as well as government officials (all from the Vhembe district) were hosted in Cape Town last month. The Fresh Produce Exporters Forum (FPEF) facilitated the visit.

The itinerary included time spent at the Epping Fresh Produce Market and the Ocean Network Express Shipping Line; and listening to an FPEF presentation on the logistics process. The group also enjoyed a two-day visit in various PPECB departments, as well as container yards, cold stores, inspections and phytosanitary protocols, concluding with a visit to a local citrus farm.

The FPEF has expressed sincere gratitude for the support of the Cape Town Market, Ocean Network Express and the team at PPECB during the visit.

FPEF focus:

The FPEF is constantly exploring solutions to typical challenges faced by emerging exporters. These mainly centre around the prohibitive costs relating to the two mechanisms through which export agents secure fruit from producers.

On consignment basis: whereby agents secure fruit from producers on consignment, without a predetermined price. Substantial risks make producers hesitant about doing trade with inexperienced new export agents.

Fixed price basis: is when the export agent and the producer agree on a price prior to shipment, and the producer is paid upfront (either partially or in full). But, given the prohibitive fruit value required to be able to export (±R400K), limited cashflow is an impediment for many new emerging exporters.

Therefore the FPEF continues to lobby for much needed funding towards possibly providing pre-shipment finance for new emerging exporters, as a start.



Citrus industry expects record export volumes, despite challenges



The Citrus Growers' Association (CGA) CEO Justin Chadwick has confirmed that this year the industry expects a record 143.3 million cartons of citrus fruit to be exported from southern Africa to more than 100 countries (13% up on 126.7 million cartons exported in 2019). Last year R20 billion was generated in export revenue and 120 000 jobs were created – impressive numbers.

Good rains across some regions, as well as new orchards coming into production are highlighted as the drivers behind this much-needed growth.

But high spirits relating to the 2020 season outcome are countered by a mixed bag of challenges, particularly those pertaining to Covid-19. In this vein, the effects of the virus on the EU – the largest export market for SA's citrus fruit – remains a concern and could translate in a decrease in demand and a shortfall of containers when the export season kicks off in May. Though, industry takes huge encouragement from the prospect of operations being fully restored in China's logistics services.

Talking about logistics, challenges at SA's ports remain an Achilles heel when it comes to export volumes. These include aging and out-of-service infrastructure, as well as unresolved labour issues. However, liaison between the CGA and Transnet continues, as port operations improve incrementally.

Encouragingly, the citrus industry is expected to grow by a further 500 000 tons over the next three to five years. Therefore, continued pursuit of new markets and overall access expansion in key markets like China, India, Japan, Vietnam, and the USA, Philippines and the EU remains a priority.

Subtrop gives a glimpse into market access processes

The main target markets for Subtrop are the USA, China and Japan (along with other markets in the Far East).

A strict process applies to market access applications for the member organisations representing Subtrop's three main types of produce (avos, litchis and mangoes). It includes the generation of a pest information package (PIP), a pest risk assessment (PRA), a quarantine pest list and various proposed mitigation measures.

The PIP provides information on the commodity, as well as associated pests in the source country; and the PRA classifies pests in the PIP according to their potential threat to other commodities in the destination country. The PRA also identifies other potential pests that may not appear in the PIP, for whatever reason.

Once in agreement on compliance, government agencies in both countries finalise a workplan, after which officials from the destination country do a technical verification visit to the source country. Then the relevant ministers from both countries sign a rule that allows for trade.

In addition, market access applications meander a long road through a government agency, which may also include eliciting the input of additional agencies. And occasionally, government agencies in destination countries may prefer a quid-pro-quo approach, whereby they request for progress on a market access application for one of their own commodities to the corresponding country.

Market access remains a key strategic focus for the entire industry, as it continues to strive to expand its footprint.





SAAGA celebrates Mexican cuisine



Avo Ambassador Nomvuselelo Mncube with Subtrop CEO Derek Donkin

The SA Avocado Growers' Association (SAAGA) ushered in the local 2020 avocado season with festive Mexican-themed dining events in Johannesburg and Cape Town during March.

SAAGA saw this as an opportunity to celebrate the ancient origins of homegrown South African avos, with a strong leaning towards Mexico as the homeland of the avo. Guests were treated to an Instagram worthy three-course meal, where even the entrée drink contained avo. Subtrop CEO Derek Donkin chatted with the guests, educating them on SA's favourable market position, as well as the many uses of this fascinating fruit.

The highlight of the events was the announcement of the winners of the Avo Ambassador competition, which aims to recognise SA food writers who go the extra mile to promote avos, and particularly their versatility. The Johannesburg winner was Nomvuselelo Mncube, cooking assistant at *Food & Home Entertaining*; and in Cape Town, *Kuier* and *LitNet* food writer Karen Hart took the prize.

The association has taken its cue from the THP 2020 Flavour & Trend Forecast, which shows that Michelin star restaurants around the world will be increasingly seeking out traditional ingredients from some of the oldest civilizations this year, particularly Central and South America (like Mexico). THP is a Tag company and the world's leading provider of content and social media services for brand managers and marketers.



Subtrop CEO Derek Donkin with Avo Ambassador winner Karen Hart

Hortgro sagtevrugtefynproe at the Woordfees, 13 March



Eunice Joubert, Petru du Plessis, Buks Nel, Henk Griessel, Johan Ehlers en Wiehann Steyn

This year our deciduous fruit industry débuted with the Sagtevrugtefynproe at the Toyota Stellenbosch University Woordfees.

Buks Nel (Fruit Marketing New Variety Specialist) and Henk Griessel (Fruit Marketing Quality Manager) both from Tru-Cape, as well as farmer and stone fruit cultivar expert Petru du Plessis had festival goers rapt as they demystified science, delved into history and shared compelling anecdotes. They also talked about their book, *Apples in the Early Days at the Cape*.

Griessel is responsible for ensuring the quality of more than one billion apples and pears annually. Guests also learnt about the Witte Wijnappel, the first apple picked in the Cape in 1662 and recently replanted in the Company's Garden in Cape Town. The array of topics discussed also included advice on suited fruit storage; a recipe for an unusual mouthwash; and why planting a Granny Smith seed won't produce a Granny Smith apple.

In addition to exotic fruit tastings, festival goers received a recipe book compiled by celebrity chefs, and also got to pack their own goodie bags.

The event took place at Die Khaya in Stellenbosch.





Agri's Got Talent



The seventh iteration of Agri's Got Talent (AGT) is scheduled to take place on 9 October.

This is a social upliftment project aimed at giving talented farm, packhouse and cellar workers in the fruit and wine industries the opportunity to develop their singing talent.

In order to be eligible to participate, entrants must:

1. Be an agricultural worker in the fruit and/or wine industry, having worked on a farm, or in a packhouse or cellar for at least three months in the past year.
2. Work in one of the following industries: apple, pear, plum, peach, nectarine, apricot, cherry, citrus, blueberry, blackberry, raspberry, pomegranate, dried fruit (within the deciduous fruit industry, excluding raisins), honeybush tea, wine and table grapes, fynbos, pecan nuts, figs or olives.
3. Be 18 years or older, and no longer in school.
4. Enter in any SA indigenous language.
5. Only enter as an individual singer (no groups).
6. Be an entrant who was not part of the previous top 10 finalists.

Entries opened on 2 March and will close on 7 July.

This singing competition is sponsored by HORTGRO, the Citrus Growers' Association, the Vinpro Foundation, SATI and the Western Cape Department of Agriculture.

For more information on AGT, please visit: www.agriscottalent.co.za.

SATI expects a good 2019/2020 harvest



The 2019/2020 SA table grape harvest is expected to end on *65,2 million cartons (4,5 kg equivalent). This significant increase marks the best crop in three years, as well as a full recovery after the relentless drought.

The Northern Provinces and Hex River regions endured destructive rain at the start of the season; whereas the Berg River and Olifants River regions enjoyed good harvesting conditions, with higher than expected intake volumes.

The Coronavirus (Covid-19) emerged in the middle of the South African table grape season in China, leading to widespread uncertainty during January and February. A halt on trading followed, as the Chinese New Year was extended and the country mostly went into lockdown. This caused a marginal reduction in exports to that region.

In SA the national lockdown came into effect on 27 March 2020, when the Berg and Hex River regions were in the final few weeks of the harvest. Thankfully, the SA government exempted the agricultural sector from lockdown restrictions, allowing final harvesting and exports to continue. Consequently, the 2019/2020 table grape harvest was not severely impacted by the Covid-19 pandemic.

The first crop estimate had a seemingly wide range, with intake volumes estimated to be between 61,05 million and 67,8 million cartons.

**Final figures were not available at time of publishing this article.*