Newsletter

MAY/JUNE 2020

CEO's *note*

Writing this bears great significance for me – my first CEO's note, which comes during one of the most unprecedented eras that the industry has ever navigated.

The effects of the COVID-19 pandemic can be felt in every economic sector, as well as in every society. The world, our country, and certainly our industry look and feel very different to just a few months ago.

In the fruit industry, the impact of the pandemic is felt most harshly in logistics. This follows recent port closures that resulted from an increase in the incidence of COVID-19. Vessels have also experienced significant berthing delays outside the port of Cape Town. And the reefer stack at the port of Cape Town is under pressure, pending notification from the terminal to stakeholders as to the temporary refusal of reefers via the Transnet SMS alert system.

Lucrative export programs like the USA export programme, as well as EU/UK and Russia conventional vessels use Cape Town to export pome and citrus fruit during this time. Therefore, the industry engages regularly with Transnet, who are working tirelessly to ensure efficient operations inside the terminal and to keep workers safe at all times.

Another consequence of the COVID-19 pandemic is that we will not be participating in some of the trade shows that are so critical for our international relations.

And on a congratulatory note, I join the industry in celebrating with Anton Kruger his appointment to SA Presidency of the Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE).

in this Issue

FRUIT South Africa

Contact details

Email: admin@fruitsa.co.za

Website: www.fruitsa.co.za

Tel: +27 12 007 1150

Twitter: twitter.com/FruitSAfrica

Facebook: facebook.com/fruitsa.co.za

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

FIVCRT Transformation Working Group publishes 2019 review

The second Fruit Industry Value Chain Round Table (FIVCRT) Transformation Working Group (TWG) report has just been published. It reflects on the Fruit South Africa (Fruit SA) member associations' transformation programmes and achievements for 2019. These industries represent producers and exporters of citrus fruit, pome (apples and pears) and stone fruit (plums, prunes, peaches, nectarines and apricots), subtropical fruit (avocados, litchis and mangoes) and table grapes.

Citrus Growers' Association (CGA)
The efforts of the Citrus Academy and the Citrus Growers' Association Grower Development Company (CGA-GDC), the two companies that the CGA has mandated to focus on transformation, have undoubtedly had a significant overall impact. And as a result, the proportion of land ownership and export cartons in the hands of previously disadvantaged individuals (PDIs) are now nearing the 10% mark.

HORTGRO and the Deciduous Fruit Development Chamber (DFDC)
The pome and stone fruit industries boast an impressive 10-year scorecard that bears testimony to their commitment to sustainable development and transformation, focusing on economic development as well as socio-economic development initiatives. Transformation initiatives implemented in support of the industry vision include the Commodity Approach – a partnership between the Western Cape Department of Agriculture and Hortgro; the DFDC Commercialisation Programme; Mpumalanga Memorandum of Understanding (MoU); Coca-Cola; and Hortfin.

The Fresh Produce Exporters Forum (FPEF)
The FPEF transformation vision is to increase the inclusion and sustainable participation of black South Africans in the fresh produce export value chain.

Existing initiatives include a graduate internship programme; the Top of the Class (TOC) training programme; market access support for emerging farmers and exporters; and co-funding for high-achieving current and former interns to attend local and international trade fairs; provision of a "help desk" to guide new and aspiring emerging exporters, and hosting transformation seminars.

SA Table Grape Industry (SATI)
SATI prioritises transformation by strategically focussing on creating a progressive, sustainable and equitable table grape industry.

They have driven transformation by rendering a variety of services to black growers and young black people in the industry. Their interventions include supplying bursaries to black students; provision of extension and advisory services; and contributing substantially towards the vines of emerging growers. SATI also has a stake in Hortfin and provides a transformation help desk.

Subtrop
Subtrop uses various mechanisms to drive transformation, including enabling black smallholder farmers; bursaries; transformation initiatives by commercial growers; and hosting transformation summits.

Study group meetings are an integral part of technical information transfer. Researchers, commercial farmers and members of Subtrop's technical staff present talks and provide practical orchard management advice at these meetings. Visits are also arranged to commercial farms where smallholders get first-hand experience of world-class production systems.

Transformation WG Annual Review:

Executive summary   Complete review

SIZA launches MySIZA

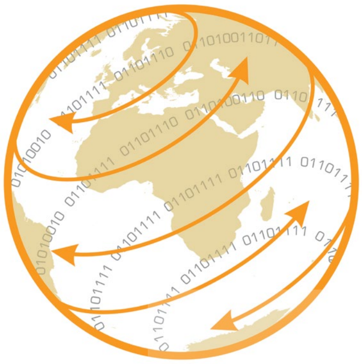
SIZA
SUSTAINABLE AGRICULTURE IN SOUTH AFRICA

SIZA's brand-new platform, MySIZA went live in April.

Harnessing the latest trends and technology, the SIZA Board developed the MySIZA platform and has introduced it to the global market. It's a technologically advanced and integrated data platform that is simple and user-friendly.

MySIZA is one of the most technologically advanced and integrated services currently available. The vision for the platform is to enable visibility from the farm to the market for businesses around the world whose aim is to manage risk and do business in a sustainable way. For more information, please contact carmen@siza.co.za.

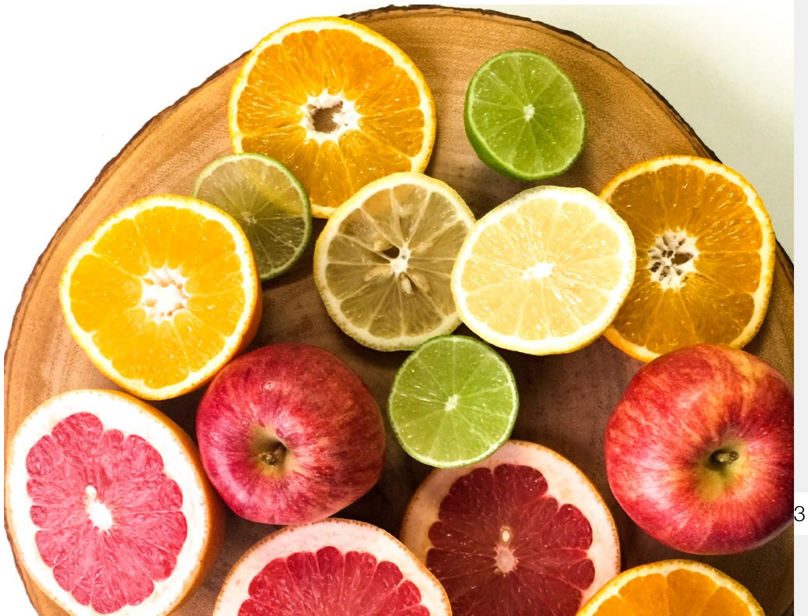
eCertification (eCert)



On 1 November 2019, eCert went live with table grapes using electronic phytosanitary certificate applications (ePhyto). This was then rolled out to include all plant based products as from 1 April 2020. To date more than 65 000 phytosanitary certificates have been issued from the system.

eCert comprises the overall set of systems consisting of PhytClean, ePhyto, Tracking Unit Register (TUR), eInspect and a number of other modules. With COVID-19 the project team introduced electronic signatures for the Department of Agriculture, Land Reform and Rural Development (DALRRD) inspectors to reduce printing and paper handling, and to enable staff to work from home.

The newest module of eCert is eInspect for PPECB, to support quality inspections at packhouses. The TUR works in conjunction with eInspect to further automate the process of checking that the fruit meets the quality requirements of its destination. Electronic transfer of phytosanitary certificates to the International Plant Protection Convention (IPPC) hub and onto the Netherlands and the USA, is currently in testing and will go live in July 2020.



CGA market snapshot

With a record marketing crop estimate of approximately 143 million cartons (representing a 13% year-on-year spike), our citrus industry has already seen its fruit leave our shores for international markets.

For lemons, achieving a shipment increase of nearly 100% year-on-year was a well-timed boon within under-supplied markets. Grapefruit has mostly gone through Durban, and South Korea has given the go-ahead to proceed with pre-clearance inspections. Satsumas experienced good conditions in the UK, relatively speaking; and oranges have enjoyed a strong demand in western countries.

Though challenges around foodservice channels stemming from the pandemic may leave a dent in actual citrus export numbers, the right pricing will help drive supply.

Proportionately, SA citrus exports comprise Valencias (35%), navel oranges (19%), lemons (18%), soft citrus (16%), and grapefruit (12%).

As for port delays related to the COVID-19 pandemic, they remain a cause for concern. But the industry is hopeful for continued improvements in port operations to ensure that target export totals are reached.

The risk of COVID-19 infections amongst workers has the industry on tenterhooks, as disruptions in the supply chain are a very real possibility. “There is a high likelihood of workers becoming ill as the virus spreads through communities, so we need measures in place that are going to keep the continuity of the business while at the same time looking after the health and safety of workers,” says Justin Chadwick, CEO of the CGA.

HORTGRO – apple talk

SA has enjoyed good apple harvests this season.

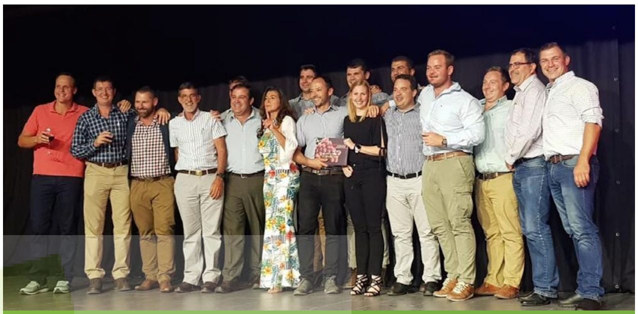
Government's classification of the agricultural sector as an essential service was a godsend that has enabled continued operations throughout the national lockdown. Therefore, the impact of COVID-19 on the 2020 production season was minimal. Marketing and logistics will, however remain a major challenge.

Normal winter weather conditions and intensified efforts by producers to mitigate drought have also paid off, as after three years of lower output, apple production returned to normal levels during 2020. The SA 2020 production forecast is 940 500 tons of apples (5% up on last year's harvest).

The export of apples is estimated to increase by 5% to 446 143 tons during 2020, up from 423 394 tons during 2019. This is mainly due to new orchards coming into production, as well as better winter rainfall in 2019. The export rate at this stage is slowing down slightly, mainly due to a decline in demand in some global markets; and interruptions in the supply chain such as bottlenecks and closures at some ports, reduced availability of containers, and limited shipping capacity. The situation in the Cape Town port is currently of great concern and will hopefully be resolved soon.

In SA the Golden Delicious cultivar accounts for 22% of the total area planted, followed by the Royal Gala cultivar (17%) and Granny Smith (14%). Also growing at a steady pace are the Cripps Pink/Pink Lady® (12%), Top Red/Starking (10%), Fuji (9%), and Cripps Red/Joya® (7%).

SATI: SA to host the 10th International Table Grape Symposium



South Africans on stage after winning the bid

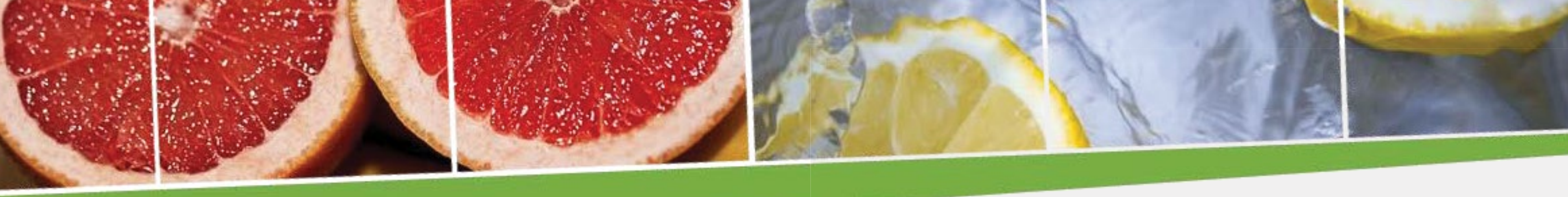
The tenth International Table Grape Symposium (ITGS) will be proudly hosted in SA in 2023. This is owing to a compelling presentation by Schalk Reynolds and Tarryn Wettergreen, representing the SA Society for Enology and Viticulture (SASEV). Continued industry support and lobbying with key role players also contribted significantly to this great achievement.

The symposium is scheduled to take place in the Western Cape, with a post-symposium tour to the Northern Cape. SASEV will coordinate the event in cooperation with various role players in the table grape industry.

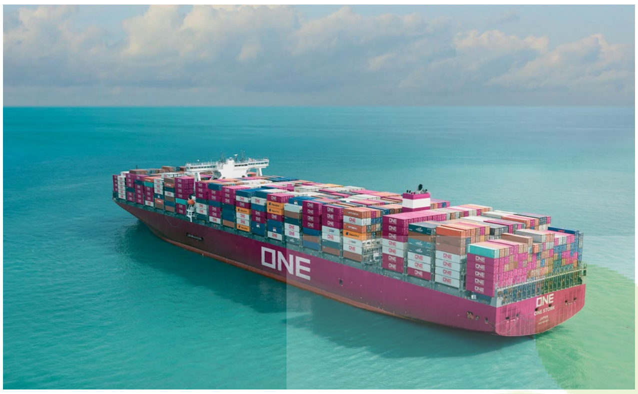
The table grape industry at large looks forward to maximising this opportunity to exchange knowledge and expertise with other table grape producing countries such as Chile, Peru, USA, Israel, Spain and Egypt; and exposing the SA industry to international expertise. There will also be an opportunity to showcase the SA industry to the international table grape community.

The ninth ITGS was hosted in Santiago, Chile in February this year. The ITGS is held every three years, and it's one of the most important events on the international table grape calendar.

The symposium was organised by a committee comprising representatives of the Institute of Agricultural Research (INIA), the Commission for Research and Development of Table Grape (UVANOVA) and the Pontifical Catholic University of Chile (PUC), and drew approximately 600 participants from all over the world. It was a great success.



FPEF: International market challenges relating to COVID-19



South Korea: acceptance of electronic phyto-sanitary certificates
Following the Korean government granting permission for the electronic acceptance of phyto-sanitary certificates until 31 May (pending an extension), the FPEF continues to work with the Department of Agriculture, Land Reform and Rural Development (DALRRD) on this matter, and hopes for a favourable outcome.

Greece
Greece has grappled with the interpretation of the Additional Declaration for Citrus from SA. Three exporters, with 50 containers in total, were affected. Their consignments were rejected at the port of entry because Greece did not accept the wording that is currently accepted by other EU member countries. Thankfully, the SA Embassy in Greece, together with DALRRD were able to resolve the matter.

Fruit Attraction Madrid 2020
There is uncertainty around the availability and possible price increases of flights and accommodation. These, coupled with the possibility of a smaller Fruit Attraction event due to social distancing regulations, as well as the health risk of exhibitors and visitors, has led to the FPEF and Fruit SA Boards deciding to forego participation this year.

Ports
The FPEF and CGA are currently producing daily reports on the status and operations in all the fruit terminals. These reports are shared with the relevant authorities and are also distributed internally.

SUBTROP: Celebrating World Avocado Month

June is World Avocado Month, as proclaimed by the World Avocado Organisation (WAO), of which the SA Avocado Growers' Association is a member. And that calls for some fanfare and fun culinary adventure. Think salads, sarmies, burgers and pizza with lashings of this wonder of nature.

Known for their versatility, avocados hold their own during snacking and mealtimes – morning, noon and night. Whether mashed, diced, sliced or puréed, they simply don't fail to impress – on their own or accompanying another food type. And consumer behaviour continues to serve as a firm endorsement.

With avocados well into the main export season, the SA estimate stands at 16 million (64,000 tons), down from 18,5 million (4kg cartons). This is due to smaller fruit sizes and the decreased demand for greenskins from foodservice channels, resulting from restaurant closures during the COVID-19 crisis.

In terms of logistics, the industry remains hopeful for improved port operations. And beleaguered transport operations into the Baltic states (a key market for greenskins) remain a challenge.

The last avocados destined for Europe are expected to arrive in October.