

Newsletter

NOVEMBER/DECEMBER 2020



CEO's note

At the six-month anniversary of my appointment as CEO of Fruit SA, I look back with great appreciation for the people and the organisation itself. I have learnt a lot and hope that so far, I've managed to contribute positively to the growth of this dynamic industry.

With 2020 nearly behind us, how do we not skew the balance between the myriad losses and the great value of our gains?

Lockdown presented the industry with tough challenges, but being recognised as an essential service somewhat cushioned the impact. And the entry of citrus for export into the Philippines certainly counts amongst major industry wins this year!

From an economic perspective, the agricultural sector has remained resilient and performed impressively in terms of its GDP contribution, with a 15.1% y/y growth in Q2 and 18.5% in Q3. But this is against a backdrop of SA's sovereign credit ratings having recently been downgraded by international ratings agencies, Fitch and Moody's, plunging SA deeper into sub-investment grade, with far-reaching expected ramifications.

We have eaten bags of salt together as an industry this year. My wish is that, as a collective, we will continue to celebrate victories within our different sectors next year, as well as weathering our challenges.

And as the year winds down, I hope you get to spend quality time with your loved ones, and reflect on all that has turned out well.

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Department of Agriculture, Land Reform and Rural Development (DALRRD)

Leasing of land



Echoing Fruit SA's transformation goal of facilitating the entry and sustainable participation of black South Africans (including the youth) in the fruit value chain, DALRRD has made available 529 014 hectares of agricultural land for leasing (from a total of 700 000 hectares).

Through its State Land Lease and Disposal Policy, DALRRD has issued an invitation to all eligible South Africans to apply to lease. The properties are suitable for growing crops and breeding livestock, and lists of the farms are available on various platforms, including the DALRRD website, the various provincial and district offices of the department, and the local print media where the farms are located.

For more details on this initiative, please click [here](#)



South African Table Grape Industry (SATI)

First crop estimate



2020/2021 Season estimate			Actual packed volumes		
Region	Low	High	2019/20	2018/19	2017/18
Northern Provinces	6.90	7.40	6.10	7.12	6.83
Orange River	18.50	19.90	19.86	19.21	19.02
Olifants River	3.50	3.80	3.32	2.37	2.80
Berg River	15.50	16.70	16.27	13.79	13.05
Hex River	20.60	22.00	20.60	18.65	20.37
TOTAL	65.00	69.80	66.15	61.14	62.07

SATI's first crop estimate for the 2020/2021 season cites estimated intake volumes of between 65.0 million and 69.8 million cartons (4.5 kg equivalent). This signals an expected return to normal industry volumes and reflects a marginal growth in hectares planted over the last six years.

SATI Chairman Fanie Naudé points out that the focus will be on providing quality table grapes from SA. This is particularly important since COVID-19 has raised the profile of fruit to that of an essential part of a healthy diet. Demand has consequently increased worldwide.

The crop estimate is supported by the latest vine census, reflecting SATI's response to market preferences through investment in new varieties. This has led to the accelerated replacement of older generation varieties with new generation varieties. Many young vines across most of the production regions are currently not bearing, or not yet in full production.

Crop estimates are done in co-operation with growers and industry experts representing all production regions. And SATI looks forward to being even more responsive to in-season developments and deviations.



Subtrop

Litchi market access



Accessing new markets whilst retaining and optimising existing ones remains a top priority for the export-oriented fruit industry. The industry has made great strides in opening up further markets for South African subtropical fruits.

But lockdown has presented various challenges with regard to market access applications, like the prevention of verification visits due to travel bans.

For litchis' entry into the US, DALRRD has submitted a response to technical issues raised by USDA-APHIS. The PIP for litchis' entry into China has been submitted. For India the application for litchis is being processed, and a verification visit is due shortly.



Fresh Produce Exporters' Forum (FPEF)

Operational equipment arrival at SA's port terminals



Source: Cape Business News

Industry welcomes the replacement of ageing equipment by Transnet Port Terminals (TPT). In line with its fortified maintenance strategy, the company has invested R2 billion in new equipment in this current calendar year. This acquisition will go a long way to ensuring that equipment is available and reliable to service operations around the clock. The boost in equipment also makes provision for running scheduled maintenance without any impact on running operations.

Operations at TPT target four major market sectors, namely: automotive, containers, bulk and break bulk. While most terminals will be receiving replacement equipment, the acquisitions are also aimed at creating capacity that will enable each terminal to handle an overflow of cargo from another – thereby improving the service offering to industry.

The Port Elizabeth Container Terminal took delivery of two mobile harbour cranes in April; and the Cape Town Container Terminal also took delivery of four straddle carriers in April. At the Durban Container Terminals Pier 2, 15 of 23 straddle carriers were received in April and August, respectively. The balance arrived before the end of September. Currently, Durban Multi-purpose Terminal (MPT) boasts two additional empty container handlers and seven reach stackers for container handling.

These developments are a huge boon for the fruit industry, to ensure that the transporting of fruit to export markets is done efficiently and cost-effectively.



Citrus Growers Association (CGA) *Transformation*



Lukhanyo Nkombisa, General Manager: CGA Grower Development Company

It's a known fact that farming, with its various barriers to entry, requires considerable business savvy and technical know-how. And the fruit industry recognises that our black growers are often at a particular disadvantage.

Therefore, in May this year the CGA extended an invitation for growers to apply for the R307 million Economic Transformation of Black Citrus Growers Programme. This initiative will fund black citrus growers, as well as provide them with technical support for orchard establishment, expansion and rehabilitation. And on-farm development will include packhouses, bulk-water supply and irrigation systems to ensure robust infrastructure.

A number of stakeholders have partnered with the CGA on the project, including the Jobs Fund, the Land Bank, the Department of Agriculture, Land Reform and Rural Development (DALRRD) and the Agriculture Sector Education Training Authority (AGRISETA).

The CGA Grower Development Company (CGA-GDC) received a great response from black growers, with the number of applications reaching R72 million by the application deadline date.

These applications were assessed by a joint steering committee comprising representatives from the CGA, the CGA-GDC and the Lima Rural Development (who has been appointed as the programme manager of the project.)

The first group of successful applicants is soon to be announced.

Hortgro *Transformation*



Hortgro's Deciduous Fruit Development Chamber (DFDC) has made a significantly positive impact on transformation in the past ten years, in line with regulations set out by the National Agricultural Marketing Council (NAMC).

Thanks to producers' statutory levies, a platform for sustainable development and transformation has been established. Already, R224.2 million has been invested in 102 black-owned businesses in four major provinces. A total of R7.3 billion worth of 4 806 hectares of new orchards have been established under black-owned management, creating more than 2 300 new jobs. This constitutes 9% of all pome and stone fruit plantings in SA.

Hortgro has played a facilitation and implementation role in 102 transformation projects, of which 37 are 100% black-owned. There is also the bursary scheme, which in the last five years has supported 138 undergraduate and 260 postgraduate students to the tune of R26.5 million; as well as skills development for farm workers through, for example Agri's Got Talent and the Fruit Workers' Development Trust. These have gone a long way in further strengthening and broadening the industry on various levels. And recently a R600 million ring-fenced debt facility was created through HORTFIN to provide upcoming producers and agripreneurs in the value chain with financial support.

Working in unison, Hortgro and the DFDC have been extremely effective in achieving their collective transformation objectives.

