

Newsletter

JANUARY/FEBRUARY 2021



CEO's *note*

With the many challenges and uncertainties we faced in 2020, there is nothing that bolsters optimism quite like reflecting on milestones.

President Ramaphosa's latest SONA delivery made heartening references to the agricultural sector, which showed resilience and performed remarkably through an economically challenging 2020. Amongst the great achievers within the sector was citrus - SA is the second largest citrus exporter globally.

We welcomed Berries ZA as a new member of Fruit SA in December, bringing the total membership to six. This development reflects our goal to have comprehensive representation of SA's fruit industries.

And on the economic and relational trade front, an MoU was signed to drive greater cooperation and statistical information exchange between Fruit SA and the China Chamber of Commerce of Import & Export of Foodstuffs & Native Produce (CCCCFNA). This holds significant benefits for our industry.

The UN General Assembly has also designated 2021 the International Year of Fruits and Vegetables (IYFV) to raise awareness around the importance of fruit and vegetable consumption in human nutrition, food security and health, as well as in achieving UN Sustainable Development Goals. The industry needs to grab this opportunity to continue highlighting the nutritional and health benefits of fruit for consumers.

Speaking of nutrition and food security, Fruit SA partnered with DALRRD last year to donate fruit to selected NGOs. We look forward to continuing this partnership of benevolence.

I wish you a 2021 of continued growth and success. May we remain armed with courage and cautious optimism.

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MARKET ACCESS

COVID-19 necessitates a new market access negotiations strategy for SA



Mono Mashaba (Market Development Specialist)

The return to level 3 lockdown restrictions (though adjusted) has made for a difficult start to 2021. But this needn't set the tone for the whole year.

Together, the South African government and the fruit industry need to urgently harness the industry's global competitive advantage with innovative market access negotiation tactics. The aggressive COVID-19 pandemic leaves us with no choice.

The ability to demonstrate agility with regard to implementation of COVID-19 protocols has become critical, to ensure compliance with the requirements of importing countries. And with a projected annual growth rate of 8%, the South African fruit industry requires an infrastructure that is conducive to growing capacity to retain current markets, but also to penetrate new ones.

With travel restrictions in place, countries are exploring virtual ways of operating. China, for example, insists on doing virtual inspection of orchards, packing and port facilities. This new method offers learning and growth opportunities for our industry, potentially showcasing our ability to adapt to innovative alternatives.

Our country – and certainly the fruit industry – needs visionary and fearless leadership now, like never before. Leadership that is prepared to go beyond artificial boundaries and the business-as-usual approach, and embraces disruptive market access negotiations with flexible protocols and swift decision-making.

May 2021 be remembered as the year when the South African fruit industry pushed all the boundaries and expanded its access to new international markets. But we cannot do it without government's support.

Subtrop – COVID-19 impediments



The main target markets for Subtrop are the US, India, China and Japan.

The heightened vigilance cued globally by the pandemic continues to be felt in the current protocols regarding market access for plants and their products. The optimal output of government departments around the world has been affected in varying degrees. Furthermore, sufficient evidence is required to declare a commodity "safe" for entry without posing a threat to the health of humans, natural fauna and flora, or to economic sustainability. Not to mention the impact of travel restrictions on the capacity for efficient inspections in 2020. And SA's latest adjusted level 3 lockdown restrictions have further curtailed the market access application process through lengthened processing time at the Department of Agriculture, Land Reform and Rural Development (DALRRD).

We continue to hope that the pandemic will soon be contained, and that operations will return to normal for the sake of the global economy.



INDUSTRY

Hortgro pome fruit harvest



At the time of writing, the pome fruit harvest was under way with positive expectations for 2021. This came on the back of an improved winter last year, with enough rain in most production areas. The weather was also cooler during spring and the flowering period, resulting in a good crop. In general, growers were in high spirits about the season ahead as colour and packouts held much promise. Though the season was estimated to be 5 - 10 days late, the later cultivars were expected to still catch up.

Compared to the 2020 harvest, there's an overall increase expected for most apple varieties: Young orchards that will come into production, as well as the favourable weather conditions, have positively impacted the export crop estimate. An increase of 4% is expected on apples and 2% on pears. The increase in pears can be attributed to Packham's Triumph volumes (+6%) and Abate Fetel having returned to a normal yield.

Early Bon Chretien pears have been negatively affected by russetting and this could lead to a possible decrease of 14% from the previous season. Adding to this, the Langkloof region experienced a severe hailstorm during the second week of January 2021. The hail was localised between the Haarlem and Misgund areas. On the bright side, fruit size from the unaffected orchards looked better and higher packouts were anticipated.

Fresh Produce Exporters' Forum (FPEF) - celebrating 20 years

Cheers To
20
Years!

Pic credit: Pinterest

Having reached their 20-year landmark in 2020, FPEF CEO Anton Kruger had an opportunity to reflect on the successes of the organisation.

Since he joined FPEF in 2012 the membership has grown from 88 to 142 and FPEF currently represents about 90% of SA's fresh exports. Market access and obtaining improved import protocols in existing markets for South African fruit is a primary focus. For this FPEF relies heavily on meaningful collaboration with the South African government.

Participation in international events is one of the levers they use to facilitate market access. FPEF initially participated only at Fruit Logistica Berlin, but that's grown to a whopping 11 annual trade shows, where the South African fresh produce industry gains exposure.

And when it comes to driving transformation, FPEF diligently provides its members with the necessary tools and support, which started with training and grew to include mentorships, internships and the establishment of black exporters. An impressive 90% of FPEF's interns acquire full-time employment – that's a significant number.

The industry celebrates FPEF's 20-year milestone with them and here's to many more years of growth!



South African Table Grape Industry (SATI) third crop estimate for 2020/21 season



SATI's third crop estimate for the 2020/21 season has been released with an increase in intake volumes of 65.3 - 69,8 million cartons (4.5 kg equivalent). This is thanks to very good quality and harvest conditions in the Northern Provinces and the three Western Cape based production regions.

The latest estimate aligns with the first one released on 27 October 2020.

Good summer weather towards the end of the season has placed the Northern Provinces on track to reach higher intake volumes. And the Olifants, Hex and Berg river regions in the Western Cape are still expecting healthy volumes as grapes are ripening well and the packing pace has increased.

The last few producers in the Orange River region are busy concluding the season. A two-week delay in the start of the season lessened the impact of the rain at the beginning of the year on the later cultivars.

The third estimate was reached by considering the best available information, experience and observations, the latest industry vine census and historical data.

Citrus Growers' Association (CGA): 2020 – documented lessons and victories



For the CGA and its members in SA, Eswatini and Zimbabwe, 2020 was one of the most stressful, exhausting, rewarding and educational years. And the entire fruit industry echoes that.

The 2020 Southern African citrus season coincided with government's declaration of a hard lockdown, bringing the country to a standstill (except the essential sectors and services).

In the SA Fruit Journal (Feb/March 2021 edition) the CGA shares victories and lessons emanating from 2020 and pays tribute to those who helped sustain the citrus industry during that turbulent year. This is also a reminder of what prevailed, in case we are faced with similar crises in future.

A committee was required to assist with the narrative, planning, resourcing and to drive a strong response to COVID-19. Hence the establishment of a CGA COVID-19 Response Committee (CRC), which prepared a risk monitoring and action template to identify the different value chain links in the industry: on-farm, packhouse, transport, cold stores, port, documentation, shipping and markets. Then they identified key risks within each of these links prior to the start of lockdown, and a plan of action was devised.

The CGA's most noteworthy achievements included a much closer working relationship with government; initiated action to address port related problems and to improve efficiencies; and improved sector and grower unity. The CGA and citrus industry also benefitted from the foresight of having implemented digital solutions (i.e. eCertification) to replace documentation.

May the entire industry emerge from this pandemic having preempted the benefit of hindsight.

Region	Third crop estimate		Second crop estimate		First crop estimate		Actual packed volumes		
	Low	High	Low	High	Low	High	2019/2020	2018/2019	2017/2018
Northern Provinces	7.5	7.8	6.9	7.4	6.9	7.4	6.1	7.12	6.83
Orange River	18.0	18.3	15	16	18.5	19.9	19.86	19.21	19.02
Olifants River	3.7	4.0	3.7	4	3.5	3.8	3.32	2.37	2.8
Berg River	15.5	16.7	15.5	16.7	15.5	16.7	16.27	13.79	13.05
Hex River	20.6	23.0	20.6	23	20.6	22	20.6	18.65	20.37
TOTAL	65.3	69.8	61.7	67.1	65	69.8	66.15	61.13	62.06

According to SATI Chairman Anton Viljoen Jnr, producers continue to focus on selecting, preparing and packing the best quality table grapes from SA with great eating quality, to send to its discerning world markets.