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Newsletter | March/April 2021

CEO's note

We're already through the first quarter of 2021 and looking forward to the citrus and avocado seasons. With overall production conditions remaining favourable, both industries are expected to do well during this harvest season. Avocado production is expected to surge, while citrus is poised for another record harvest.

From a general economic perspective, the first quarter saw various macro-economic data released. And it’s heartening that in the latest Q4 GDP results, agriculture had expanded by 13.1% in 2020, in line with BFAP expectations. However, Stats SA reported a contraction of 7% in the economy, with 1.5% GDP growth in Q4.

If ever there was a time for the country to band together economically, it is now. And from an industry viewpoint, the importance of public-private partnerships cannot be overemphasised. With COVID-19 having nearly crippled various economies around the world, with many countries in emerging economies having little hope of complete recovery. Therefore, it is with guarded optimism – in the South African context – that we continue to steadily move forward with cognisance and agility.

And in the vein of staying connected during these trying times, the SHAFFE Fresh Fruit Congress held in March couldn't have taken place any sooner. This debut online event during which a new cooperation agreement with the Chinese fruit importing industry was announced, highlighted (amongst other relevant information) the key priorities of SHAFFE in its 2021 - 2023 strategy.

Well, may our sector continue to show resilience as we navigate the unchartered waters of the COVID-19 pandemic.

CGA Grower Development Company (CGA-GDC) sees uptick in production figures

CGA Grower Development Company

Despite a morphing landscape, SA's citrus industry has shown remarkable growth and resilience. Their latest significant achievement is an uptick in black growers' production.

The CGA-GDC's black citrus growers have seen a 40% rise in production figures in just 12 months. During this time farms and black growers increased output by over 40 000 cartons – one black grower's production increase clocked 99 000 cartons.

Furthermore, local black citrus growers have increased output to domestic markets by 55% since 2019. And on the international front, more than 75% of SA's black citrus growers export their produce to global markets. This substantiates the citrus industry's commitment to inclusive growth and sustainable transformation.

The CGA-GDC supports black citrus growers through:

- Production infrastructure (irrigation, mechanisation, building structures and other general farm equipment)

- Technical and business management support to assist growers with the commercialisation of their fruit in South African stores

- Achieving regulatory compliance to become accredited exporters to the global market.

"The citrus industry has spent over 10 years creating structures such as the Citrus Grower Development Chamber (CGDC) to assist, guide and advise the CGA-GDC on the needs of black citrus growers, so that the GDC may provide them with the support they need to thrive. The CGDC is run by black growers who ensure that the citrus industry is committed to supporting the initiatives that will result in the establishment of an inclusive citrus industry, with a sound transformation agenda," says CGA-GDC General Manager Lukhanyo Nkombisa.

Subtrop offers business training to emerging avocado growers

Emerging growers on a post-training farm visit.

Grower education and training forms an important part of the South African Avocado Growers' Association's (SAAGA) transformation activities. Recently SAAGA, in collaboration with the National Agricultural Marketing Council (NAMC), arranged a business training course for 20 avocado growers in the Vhembe region.

The course was presented by experts from Buhle Farmers' Academy with 20 attendees. Of the attendees, 80% were youth (under the age of 35) and 45% were female.

The training focused on farm and business aspects relating to business development, planning, decision-making, financial management and value chain management. Equipped with the knowledge gained, these growers will be in a better position to successfully establish, expand and manage orchards; manage their farming infrastructure; and do bulk or group buying. These skills will go a long way to setting up these emerging growers on their journey to becoming fully-fledged commercial growers.

Fresh Produce Exporters' Forum (FPEF) launches emerging exporter support programme

In February this year, FPEF launched its new Emerging Exporter Support Programme. The programme provides a combination of mentorship, coaching and practical support (including access to fruit, markets, postharvest technical guidance, logistics guidance and risk management). Where relevant, the programme also offers candidates short-term placements and/or job shadowing opportunities to gain practical exposure and experience in the export value chain.

At the end of last year, seven promising, aspiring emerging exporters were invited to apply for the programme. Four were then shortlisted and on 9 February they had an opportunity to make a pitch to the selection committee, which comprised CEOs of FPEF's members, as well as FPEF CEO Anton Kruger and Transformation Manager Johannes Brand. The committee was truly impressed by the shortlisted candidates' thorough preparation, professionalism, communication skills, entrepreneurial spirit, confidence and track records. Needless to say, all four candidates were invited to participate in the programme and they've accepted.

The offer by some FPEF members to assist and help upskill the beneficiaries to a point where they are established as sustainable exporters, is greatly appreciated by the FPEF. The beneficiaries are being matched with suitable FPEF members, after which their practical support and training will begin.

Industry

A snapshot of newcomer, Berries ZA

The South African Berry Producers Association (SABPA), now rebranded as Berries ZA, was established in 2011, necessitated by the need to create a structured platform through which common industry issues can be addressed for the mutual benefit of its members.

The rebranding was sparked by a need to convey a new sense of direction for the industry and to inspire renewed excitement about South African berries. Berries, and blueberries in particular, have experienced rapid growth in the last few years, with producers responding well to increasing global demand.

Over the past five years berries exports (valued at R1.5 billion) have grown from 1 792 tonnes in 2015 to 15 600 tonnes in 2020/21.

By 2024, the berries industry estimates production to have reached 62 000 tonnes and exports to hit the 44 000 tonnes mark. This will translate into the creation of 3 000 new jobs. Between 2014 and 2018, employment in the berries industry grew eightfold, from about 1 000 jobs to more than 8 000.

On average, around 70% of all blueberries are destined for export markets. And South African berries are a potentially competitive player in the global market due to their world-class quality, compared to berries from other countries. The contribution of the blueberry industry to the total value of SA's horticultural production, relative to its size, is significant both in production value and five-year annual growth value.

Hortgro's Steven Versfeld clinches SIZA platinum status

Steven Versfeld

Compliance with industry standards is one of the biggest trumpcards that keeps SA's fruit industry amongst the key role players in the international arena.

Steven Versfeld, a pome fruit producer from Achtertuin Farm outside Ceres, became the first South African producer ever to receive platinum status from the Sustainability Initiative of South Africa (SIZA), without any non-compliances. His third-party ethical audit was done on the latest version of the SIZA Social Standard, version 6.

SIZA CEO Retha Louw highlighted the significance of Versfeld's achievement in terms of a SIZA audit. "It takes hard work, dedication, and the intention to implement a certain lifestyle culture on your farm," she says.

Louw confirmed that the programme's foundation is built on continued improvement, prompting members to keep striving for best practices and to achieve more than mere minimum compliance. "Versfeld has shown that businesses can meet requirements, and even exceed them beyond the scope.

As the standards and the world around us evolve, new requirements will persist, meaning businesses will have to remain consistent in their approach to implement best practice every day."

The industry lauds such dedication, because its long-term effects are far-reaching – beyond a particular grower or farm.

SA Table Grape Industry (SATI): 2020/21 fourth crop estimate

On 4 March 2021 SATI released its fourth crop estimate for the 2020/21 season, recording an intake volume increase of between 67,2 million and 70,9 million cartons (4.5 kg equivalent). Since this estimate, featured in the table below, the national intakes have reached a new high of 69.4 million cartons.

This was attributed to the earliest two regions concluding their packing, and ongoing favourable harvest conditions in the three Western Cape grower regions. Importantly, new plantings of higher yielding cultivars that are now coming into full production also contributed to the increased intake volumes.

The northern provinces saw an estimate increase ranging from 7.8 - 7,9 million cartons, while the Orange River's clocked 18.3 - 18,5 million cartons. The estimate for the Olifants River was adjusted to 4.3 million cartons and the Berg River to 18.7 million cartons. Though the estimate for the Hex River region remains unchanged.

As before, the latest estimate took into account the best available information, experience and observations, the latest industry vine census and historical data.

The accuracy of crop estimates hinges heavily on the expertise of growers and industry experts representing all production regions. And this forum is used by SATI to be more responsive to in-season developments and deviations.

Region	Fourth crop estimate 04/03/21		Third crop estimate 02/02/21		Second crop estimate 12/01/21		First crop estimate 27/10/20		Actual packed volumes		
	Low	High	Low	High	Low	High	Low	High	2019/20	2018/19	2017/18
Northern Provinces	7.8	7.9	7.5	7.8	6.9	7.4	6.9	7.4	6.1	7.12	6.83
Orange River	18.3	18.5	18.0	18.3	15	16	18.5	19.9	19.86	19.21	19.02
Olifants River	4.0	4.2	3.7	4.0	3.7	4.0	3.5	3.8	3.32	2.37	2.8
Berg River	16.5	17.3	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	23.0	20.6	23.0	20.6	22.0	20.6	18.65	20.37
TOTAL	**67.2**	**70.9**	**65.3**	**69.8**	**61.7**	**67.1**	**65.0**	**69.8**	**66.15**	**61.13**	**62.06**

FRUIT South Africa

BERRIES ZA — SUPPORTING SOUTH AFRICAN GROWERS

CGW Citrus Growers' Association OF SOUTHERN AFRICA

fpef fresh produce EXPORTERS' FORUM SOUTH AFRICA

HORTGRO Growing Fruit IQ

SATI SOUTH AFRICAN TABLE GRAPE INDUSTRY

subtrop SA Subtropical Growers' Association