

Newsletter

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in this Issue

Market access

SIZA

Subtrop

Fresh Produce Exporters' Forum (FPEF)

Hortgro

Citrus Growers' Association (CGA)



CEO's note

The agricultural sector has been doing some heavy-lifting for a while.

And though the end is not yet in sight, we have a lot to be upbeat about – especially in the fruit industry. For one, the economic benefits of the agricultural sector being classified as essential from the beginning of lockdown has been invaluable. The pandemic has undoubtedly presented a level of uncertainty in terms of supply chain disruptions and demand shocks. And we're heartened that the sector has remained resilient and has weathered its challenges reasonably well. This could be seen, for example, in the Agbiz/IDC Agribusiness Confidence Index (ACI), which recovered to 51 in Q3, from 39 in Q2, an inch above the neutral point. Of course, the Stats SA Q1 GDP results are also a significant endorsement for the agricultural sector, with its 15.1% increase.

The industry is also buoyed by its contribution to the 32% y/y expansion of SA's agricultural trade in Q2, to US\$1.05 billion. And our very own citrus, apples, pears, avocados and grapes were notable contributors to this export growth.

Against the backdrop of the Covid-19 pandemic, World Food Month further underscores the importance of food security, which has come under threat in SA due to the economic impact of the pandemic. But the economic significance of the sector has been highlighted by its ability to step up to the plate and feed our nation during this time.

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Market access

SA citrus entry into the Philippines



Mono Mashaba (Market Development Specialist)

Though already widely publicised, how could we not further amplify the celebratory sentiment with our citrus colleagues regarding the Philippine government's granting of market access for citrus? At the start of the 2021 citrus season, Philippine consumers will be tucking into our very own citrus.

Potentially, the Philippine market could absorb 10 000 tons each of SA's soft citrus and oranges. Fruit SA (FSA) continues to further strengthen relations with the Philippines, for the inclusion of table grapes and pome fruits in the coming two years.

Having enjoyed a remarkable year, the citrus industry had 95% of fruit packed at the time of writing this, and had posted a 15% growth in exports compared to the 2019 season. The citrus industry exported 127,5 million 15 kg cartons during the 2019 season, and during the current season it has already exported 143.3 million cartons. At this rate, it stands to earn the country no less than R20 billion in foreign exchange.

The proactive approach of the board has been instrumental in cementing progress within the Chinese market, and the same is anticipated with other prioritised markets. FSA continues to engage the Chinese Plant Health Authority on market access for avocados. And with the support of Minister Thoko Didiza, the industry also hopes to expedite signing of the pear and lemon protocol between SA and China before the end for 2020.

As for India, FSA continues to lobby for improved market access conditions for SA pome and citrus fruit.

SIZA

Growing environmental stewardship



When it comes to our natural environment, the ultimate goal is to ensure its conservation, and that food security is sustained – presently and for generations to come. But this requires everyone to pull in the same direction – individuals, corporations, the business fraternity and government.

The SIZA Environmental Standard was developed in partnership with the World Wide Fund for Nature, SA (WWF-SA), to assist South African suppliers in becoming compliant, while promoting environmental stewardship. The SIZA environmental programme focuses on the sustainable management of the four cornerstones of the environment, namely soil; water; energy, materials and waste; as well as biodiversity and ecosystems. Its main objectives are to improve input efficiencies and to manage and mitigate environmental risks on farm, packhouse and processing plant levels.

The standard is rooted in South African environmental legislation, and includes risk areas relative to SA. The standard also keeps abreast of global good agricultural practices and requirements, to ensure that local producers are well informed regarding environmental trends.

In addition, SIZA's compliance and market readiness programme enables emerging growers to comply with global market requirements, in order to successfully export their fruit.





Subtrop

Strategic collaboration with Stellenbosch University



Dr Alesia Kleinert (Stellenbosch University)

A collaboration agreement between SA Avocado Growers' Association (SAAGA), Macadamias SA (SAMAC) and Stellenbosch University (SU) has connected SAAGA and SAMAC in funding a lecturing and research position at SU's Department of Horticultural Science.

Dr Alesia Kleinert will be lecturing the third-year subtropical crops module, and will also be conducting research projects of relevance to the avocado and macadamia industries.

"The training of undergraduate students at SU will naturally feed into the postgraduate research programme. And we look forward to having all these students emerge well-rounded and equipped to make a valuable contribution to the expanding subtropical industry at both the technical and the research levels," Kleinert explains.

The industries of both SAAGA and SAMAC have expanded significantly in terms of production and export quantities over the past few years, with SA being among the top producing countries. In turn, new employment opportunities for graduates have emerged, and the upscale in production of both industries has presented its own challenges, requiring further research inputs.

Historically, SU has not been closely and directly involved in subtropical research, but with changes in the traditional production areas to now include the southern parts of SA, it is an ideal time for SU to include production of subtropical crops in its module offerings. The different production areas of the same crops have enabled growers and exporters to extend the window of availability for these crops, hence the expansion in production areas.

Fresh Produce Exporters' Forum (FPEF) Transformation



Play an active role in furthering positive and effective transformation in your business.

This was the clarion call to participating business leaders within the fresh produce export value chain at FPEF's transformation webinar on 16 September.

Prof Dons Kritzinger (a former professor from the University of Pretoria) provided a historic snapshot of inequality and racism in SA, and used the platform to challenge participants to acknowledge the past injustices and to become part of the solution. Mahlatse Mashua (Director: Ravi Zacharias International Ministries) tackled the conundrum: "How do we move from a shared troubled past to a shared hopeful future? This, while embracing the complexity of everyone's lived experience."

The FPEF graduate internship programme is the conduit between high caliber graduates and prospective employers in the value chain. And these bright young minds will be available to be recruited into commercial, logistics and technical positions.

Business leaders who wish to integrate these sought after skills into their organisations may contact Johannes Brand at johannes@fpéf.co.za.



Hortgro SA apple review



Apple harvesting is underway in most of the Northern Hemisphere countries, where there has been a reduced production – mostly due to sunburn, spring frosts, hail and storms.

SA enjoyed a favourable winter, and in the Cape it has been one of the best in years. Apple orchards in the Western Cape are a beautiful sight. And the locally grown varieties from Limpopo are the first apples for the season, which will enter the market a week before Christmas. These are mainly intended to be sold domestically. Thinning was already underway at the time of writing this, with growers anticipating a very good harvest.

The apples from the eastern Free State and Mpumalanga account for 2% of the total production, with conventional varieties with a higher cold resistance. These apple orchards are already in bloom, therefore an average harvest is expected.

Good quality characterised last season's harvest, but pandemic-related logistical problems presented a challenge. The season coincided with the lockdown and related hiccups at Cape Town harbour. Though, apple exports yielded good results, in the markets that were not severely disrupted. A spike in health consciousness amongst consumers has also been a boon in terms of demand.

Citrus Growers' Association (CGA) Celebrated growth



Despite Covid-19 related challenges, our citrus industry has enjoyed significant growth and a bumper export season.

In fact, the industry is expected to grow by 500,000 tonnes in the next three to five years. This will boost export revenue by R6.8bn and job creation by 2,250 sustainable jobs for soft citrus, lemons and Valencias over the next three years.

But an expansion of international market penetration over the next few years has now become urgent, to prevent an oversupply of SA's exports, which would compromise the citrus pricing model.

Identified markets include:

The Philippines – where efforts for entry span the past 11 years. Finally, the green light has been given to export to the country after the recent signing of a workplan between the Department of Agriculture, Land Reform and Rural Development (DALRRD), and the Philippines Bureau of Plant and Industry (BPI). This new market presents an export potential of 20 000 tonnes of citrus and export earnings of about R205 million annually.

Vietnam – the industry hopes to gain re-entry to this key market. In 2012 they absorbed 2 000 tonnes of citrus exported from SA, after which the industry lost access due to an administrative error. Seven years later, a resolution is still pending.

Japan – has major potential for market access expansion. By 2024 an increase in lemon and soft citrus exports to Japan could clock R205 million in revenue, with 750 new jobs created on farms and in packhouses. The SA citrus industry continues to navigate strict market access conditions and red tape in this market.

The CGA continues to collaborate with government and other stakeholders to realise inclusive growth in the country.