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## Newsletter | May/June 2022



### CEO's *note*

In Youth Month, we salute our young people, but we also acknowledge that they need all the help they can get, economically.

The Q1 2022 Quarterly Labour Force Survey results for youth unemployment at 63,9% for the 15-24 year-olds (up 97% y/y) is cause for grave concern. But, with a clear understanding of the immense value that the youth bring, we continue to integrate them into the industry through bursaries and internships.

At this midpoint of the year, it's fair to say that we've already navigated our fair share of challenges. The impact of the Russian/Ukraine conflict and rising input and freight costs continue to rank amongst our main concerns.

But we paused in May to celebrate eCertification, along with the Department of Agriculture, Land Reform and Rural Development (DALRRD) in partnership with the Embassy of the Kingdom of the Netherlands. The celebratory event acknowledged the momentous strides made to achieve paperless processing of export certificates, which bodes very well for market access.

In that vein, Hortgro is funding a new phytosanitary research laboratory dedicated to deciduous fruit (read more about that in the feature below). Moreover, this month the South African Embassy in Tokyo celebrates the start of South African citrus exports to Japan – South African grapefruit is a firm favourite amongst Japanese consumers.

On 12 May some social partners signed the Agriculture and Agro-Processing Master Plan (AAMP). A significant catalyst for continued inclusive growth, the AAMP demonstrates a holistic approach to macro sectoral challenges like transformation, land reform and infrastructure; as well as labour related matters. As an industry, we are pleased to have been invited to the media briefing for this agri milestone, hosted by Minister Didiza.

On the same day Minister Didiza tabled the 2022/23 budget speech on agriculture, land reform and rural development, increasing the budget from R16,9 billion in 2021/22 to R17,3 billion in 2022/23. And we are heartened by the transfer of R400 million (of R1 billion) into the Agri-Industrial Fund, as per the agreement with the IDC. Hopefully, this fund will be instrumental in advancing inclusive growth and bridging the gap between smallholder and commercial farmers.

Here's to continued meaningful collaboration, as we navigate the second leg of 2022 together.

## TRANSFORMATION



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### Young people, the new voices of agriculture

After connecting with 2021 FPEF intern Zama Sangweni and Transformation Manager Johannes Brand, Makhosazana Ngwenya from Agrijob reiterated in a blog post the importance of addressing transformation challenges effectively.

The agricultural sector of SA has harnessed skills development as a key strategy through which to facilitate transformation and inclusion. And government has developed programmes along the value chain to welcome graduates into the agricultural industry.

Implementation of transformation programmes demands prioritisation and dedicated personnel who are equally passionate about the goal. The FPEF Graduate Placement Programme is a noteworthy private sector initiative in this context.

Johannes is passionate about driving racial unity, and the FPEF Graduate Placement Programme is a part of his portfolio. It targets high-calibre black tertiary graduates for placement in junior commercial, logistics and technical roles in South African fruit export companies. The programme focuses on the second part of the value chain, which is in line with the FPEF's mandate, confirms Johannes. The members of the organisation are primarily fresh produce exporters and logistics companies; though, different organisations have internships that specifically serve the FPEF members.

Therefore, Johannes urges graduates to look for opportunities within their preferred industry.

In 2021 the FPEF Graduate Placement Programme appointed 14 graduates in FPEF member companies, bringing the total to 48 since the programme launched in 2016. Zama Sangweni, who was amongst those graduates, values the opportunities that these internships hold for young people to get their foot in the door of the industry.

“The emergence of an initiative like the FPEF internship has changed my life for the better, and has given me a platform to showcase my skills,” says Zama. She also highlights fair payment as a notable advantage of the programme, which is partly due to the FPEF continuing to encourage member companies to pay graduates market related salaries.

In Youth Month, it's particularly heartening to share this, one of many success stories where young people are being integrated into the sector.

## **A new grower to the citrus industry (by Pandelani Melton Mulaudzi)**

Thabo Moripane, a citrus farmer at Manini Holdings, is the latest addition to the CGA-GDC. His story is a stark reminder of the importance of relationships, amongst other things.

His citrus journey started thanks to a neighbour in Dullstroom who connected him with the ANB Investment Group technical specialist at Citrogold Marketing and Research.

In 2020, after immersing himself in research and taking citrus short courses at the Citrus Academy, Thabo was able to purchase a 407 ha farm in Marble Hall, which had game and arable land. He subsequently also bought citrus trees from Du Roi Nursery in Letsitele through his relationship with the ANB Investment Group.

And it was CRI Extension Manager MC Pretorius who recommended Thabo to Andrew Mbedzi and me, which prompted a visit to his farm to provide technical support.

Not one to waste time, Thabo has already applied for the CGA-GDC Enterprise

Development Grant Fund, and is currently establishing 70 ha of citrus, with ridging for a further 30 ha underway.

It's taken a "small village" to cement the success of Manini Holdings. Loskop Irrigation Design saw to the orchard layout and irrigation supplies, Musketeers provided all the pumps, soil samples and classification are being managed by Agri Technovations, and Laeveld Agrochem supplies the chemicals and fertiliser. Then there's land preparations by Marble Hall Company and current farm expansion by Joubert and Sons.

Thabo looks forward to completing his farm expansion by February 2023.

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## **MARKET ACCESS**

**Optimisation of market access structures and systems (by Dr Mono Mashaba, Specialist Consultant: Market Development)**



Continued shifts in the international trading landscape driven by changes in import requirements, have necessitated a heightened focus on market access tactics within the fruit industry. Accessing new markets while retaining current ones has never been more critical.

The most recent Fruit Industry Value Chain Round Table (FIVCRT) Trade Work Group (TWG) meeting discussions centered largely on achieving the above objective.

The TWG agreement to initiate a process to develop prioritised countries' focused strategy for market access negotiations will without doubt ensure proper planning, coordination and implementation amongst all the stakeholders in government (DALRRD, DIRCO and the dtic) and the fruit industry. This has been a weakness in the current market access negotiation framework, and will now enable government negotiators to be more assertive, effective and efficient in market negotiations. Hearteningly, DALRRD has already initiated internal discussions in this regard and will update the TWG at its next meeting, in order to allow input from other stakeholders.

Mindful of the need for increasing capacity to process phytosanitary matters, DALRRD is also in the process of filling key positions (including two deputy director positions at Plant Health that have been vacant for a very long time). And as an important ally regarding market access (for example, attending promptly to pending market access processing requirements), the industry looks forward to seeing the directorate operating at full capacity.

The concurrent processing of market access applications remains a high priority for the industry, especially for countries such as China, Japan and Thailand. In fact, Japan places changes to existing protocols in the queue along with new applications, whereas other countries treat these separately. The objective is to ensure that the above countries process more than one application at a time and such a decision can only be made at ministerial level. Continued engagement with embassies in these countries is a key focus for DALRRD, to secure virtual ministerial bilateral meetings.

Collaborations between DALRRD and Fruit SA was re-emphasised to ensure prompt resolution of pending matters (on the part of SA) relating to countries like Japan, China, Vietnam, Thailand, US, Philippines, India and South Korea that have been dragging on for many years.

And notwithstanding the cost of virtual verification visits, the fruit industry is making notable strides in using technology to substitute in-person processes, like annual start-of-season verifications for some countries. And now the focus will shift to verification for the finalisation of new market access protocols (export and import), and verification of phytosanitary research (e.g. Japanese verification of cold treatment research as mitigation for Oriental fruit fly). Engagements are continuing in this regard.

But ultimately, an aggressive policy for market access remains mandatory, for the industry's relevance in the competitive international arena.

## **INDUSTRY**



### **eCertification celebration**

On 9 May 2022, the industry took part in celebrating what will go down in industry history as a landmark event.

Industry representatives joined the Department of Agriculture, Land Reform and Rural Development (DALRRD) and the Embassy of the Kingdom of the Netherlands at this event in Gauteng.

Efficiency has become a critical trump card in international trading, which makes eCert a critical conduit for a paperless export certification process. In response to intensified phytosanitary requirements for citrus black spot (CBS) and false codling moth (FCM), the CGA established an online registration platform for phytosanitary registrations for the first time in 2014.

The functionality of the platform was then expanded to Fruit SA in 2017 and was re-designed to cater to the needs of other sectors within the fruit industry. PhytClean, a new tool catering for all fruit types, came into operation during the 2017/18 financial year when new rules for CBS and FCM came into play in the European Union. Phytosanitary registrations for table grapes and deciduous fruit also took place during this period.

Later in 2017, DALRRD and Fruit SA signed a PhytClean service level agreement (SLA) for the development and use of a centralised data platform to support the official processes of export and phytosanitary certification. In 2018 DALRRD appointed Fruit SA to build the eCert platform, which is an online platform created to receive, verify, process and deliver certification documentation to trading partners associated with agricultural export products.

And in the throes of the COVID-19 pandemic, the platform was rightfully hailed for its timely convenience at the début SHAFTE Congress in 2021.

With more than half a million e-certificates already issued, eCert represents a revolutionary breakthrough for the fruit industry of SA and in fact, agriculture at large.

Click [here](#) for imagery relating to the celebratory event.

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### **Effective digital recordkeeping drives business growth**

In the vein of paperless processing of data, the SIZA Digital Recordkeeping Programme has also been instrumental in driving efficiency in the agricultural sector – and certainly through meaningful collaboration in the fruit industry.

Now, management can streamline business processes, interpret the effectiveness of current environmental management practices, and assist in implementing appropriate actions to improve the productivity of a business. This paves the way for businesses to effectively pursue their sustainability targets to:

- improve water use efficiency
- improve energy use efficiency
- reduce waste going to landfills
- reduce emissions into the air
- calculate carbon footprints.

The SIZA Digital Recordkeeping Programme allows management to access real-time data at the click of a button. This functionality of the programme includes digital dashboards, where members can track real-time data using graphs, as well as automatically generated annual reports.

The SIZA Digital Recordkeeping Programme also allows for seamless electronic documenting, categorising, and filing of records.

And with cyber security having become a global concern, this programme uses world-class data software to ensure the safety and security of user records.

Through paperless access to real-time data, users are also actively contributing to environmental sustainability.

And noting implementation of local legislation such as the Carbon Tax Act of 2019 and the requirements of overarching policies such as the EU Green Deal, the Digital Recordkeeping Programme provides the agricultural sector of SA with much needed accurate monitoring.

Click [here](#) for more information.

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### **New phytosanitary facility, a lever for increased market access**

Market access for the fruit industry demands all hands on deck, with regular measurement and reviews.

Therefore, the new phytosanitary research facility dedicated to deciduous fruit and currently under construction, will be a welcome addition. It's funded by Hortgro and holds the promise of enhanced market access. The vision for this facility was sparked around phytosanitary research, co-funded by the Post-Harvest Innovation Fund, and led by Dr Shelley Johnson (Phytosanitary Entomology and Market Access Specialist for Hortgro). Dr Renate Smit, an entomologist and phytosanitary researcher employed by Hortgro, will manage it.

Meeting phytosanitary requirements is an important caveat for market access in the international arena, and requires on-going research and up-to-date market intelligence. A facility like this will allow researchers to identify suitable control measures for insects and pathogens through testing, to ensure on-going compliance for export.

Access to new markets and adherence to stricter requirements in current markets rely on scientific proof that the protocols and treatments evaluated by the facility do kill all targeted insects and diseases of concern, without affecting fruit quality.

The facility will be based in Stellenbosch at the Welgevallen Experimental Farm of Stellenbosch University.

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