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FRUIT South Africa

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CEO's note

Observing Youth Month has become largely bitter-sweet in SA, as we watch growing numbers of our youth flounder in search of jobs or a semblance of hope, to secure their future.

The Stats SA Q1 GDP results show a 0.4% growth rate for the economy of SA, following a 1.1% revised contraction in Q4 of 2022. Agriculture reflected a 12.3% quarter-on-quarter (seasonally adjusted) slump, which is attributed to a decline in the production of field crops and animal products.

The global fresh produce trade continues to feel the pinch in all spheres, and SA hasn't been spared. Notes from the Freshfel Europe Annual Event held on 25 March in Brussels truly echo the sentiments of the South African fresh fruit industry and its growers.

Freshfel Europe President Salvo Laudani proffered a reminder: "During the pandemic, we were the heroes. Now, fruits and vegetables are more and more often being portrayed negatively, with misleading and untrue information on water use, quality and safety and affordability being disseminated in communication outlets." And Freshfel Europe General Delegate Philippe Binard added: "Fruit and vegetables have a key role to play in the move towards a plant diet and sustainable food chains. Yet, policy changes are placing hurdles on the sector's journey towards these objectives." Fresh produce being essential to the green transition and central in European strategies such as the Green Deal, Farm to Fork, Fit for 55, and the EU Beating Cancer Plan, speakers at the event highlighted the urgency to "act now to reach these goals".

There needs to be regulatory fairness in the global trade arena for the sustainability of the industry. Our growers deserve a fair chance in this increasingly competitive global trade landscape.

YOUTH MONTH FEATURE

Agriculture, still the beacon of hope for the youth of SA? by Kgothatso Nkgadima (intern)

The unemployment rate of SA for Q1 2023 was recorded as 32.7% and the youth unemployment rate 46.5%.

It is often said that agriculture is the root of rural development in rural communities, and young people are encouraged to study agriculture due to its vast opportunities that remain unexplored. While this is true, we cannot ignore the high number of unemployed graduates pre- and post-internships. This requires a collective effort between government and the sector, to create an environment that breeds success. The youth who are already in agriculture need to be able to truly vouch for the sector, thereby accelerating youth integration.

That said, the agriculture sector remains a beacon of hope for the youth of SA, with the sector currently counting amongst industries with the highest employment gains.

Now let's build on this.

The Department of Agriculture, Land Reform and Rural Development (DALRRD), and the Department of Higher Education and Training should consider a review of their programme facilitation, to align with labour market shifts. For example, a stronger focus on agripreneurship training programmes for the youth could help drive a critical move away from producing job-seeking graduates, to establishing more economically viable farming enterprises.

As for emerging fruit growers, they face significant economic constraints that hardly present the industry as ideal to our visionary youth. This segment also navigates – along with the rest of the grower fraternity – numerous challenges like prolonged water rights application processes, loadshedding, unstable markets, and the depreciating rand.

We acknowledge the efforts of DALRRD in curbing youth unemployment through initiatives like the Agriculture Entrepreneur Development, and Agricultural Assistant Practitioners programmes, as well as industry efforts in uplifting particularly the black youth through bursaries and internship programmes.

However, on-going support is needed to ensure that young professionals are retained within the industry post-tertiary education and internships. This will enable them to actively help contribute to the growth and global competitiveness of this dynamic industry that holds so much promise.

TRANSFORMATION

Inclusive growth demands sustainable transformation

Sustainable transformation and the development of black-owned citrus farms are critical to achieving the growth vision of the citrus industry of SA. So says Lukhanyo Nkombisa, General Manager of the Citrus Growers' Association Grower Development Company (CGA-GDC).

The local citrus industry comprises 124 black-owned citrus operations cultivating more than 7 800 ha of citrus across the country. They yielded just over 15 million cartons in 2022, from more than 2.4 million in 2020. These are impressive numbers for a relatively new contingent of the citrus grower family. But with a 50-million carton target for 2032, the industry is hardly resting on its laurels.

In 2022 164.8-million cartons of citrus were packed and destined for export markets across the globe. And by 2032 the industry plans to export an additional 260 million cartons per year, translating to 240 000 jobs and R50 bn in annual revenue for the economy of SA.

Black growers have been affected most severely by the many challenges that have hit the industry. In fact, many black citrus enterprises are in severe distress, says Lukhanyo. Soaring input costs, transport and freight rates, rolling blackouts, and the new EU false coddling moth regulations that will incur R500 m in losses for growers this year alone, are among significant setbacks plaguing growers at large. Threats specific to black growers include limited access to working capital from banks and government programmes; insufficient Enterprise Development Fund support; and land tenure and water authorisation constraints.

The need for consistent government support – especially in making funds easily accessible – cannot be over emphasised. Thus, the CGA-GDC welcomed announcements by DALRRD Minister Thoko Didiza in her budget speech in parliament regarding support to small-scale farmers that includes R2.15 bn in conditional grants to the comprehensive agricultural support programme and Ilima-Letsema programmes, and R19 m for micro agricultural financial institutions of the SA loan programme.

At an industry level, the CGA-GDC continues to aid black growers through several programmes, including facilitating access to finance, the provision of extension and technical support, and business and market accreditation support.

But stronger collaboration between government and the CGA-GDC remains critical.
Find the original online article here.

Bursaries for sustainable success

Bursaries are granted by various entities far and wide. But a distinguishing factor is their ability to bring about sustainable success.

Bursary funding is a long-standing focus area of the South African Table Grape Industry (SATI), as part of their commitment to equip young people to become active economic contributors in the table-grape industry, as well as the broader SA. The various disciplines supported by SATI bursaries include viticulture, plant pathology, entomology, soil sciences, and others relevant to the table-grape industry.

Below is feedback from two former bursary beneficiaries who were recently approached by SATI (and there are many more). Making their mark in the agriculture sector, they gave a heads up on their subsequent journey.

Dr Andries Daniels (41) was the first black man to obtain a doctorate in viticulture from Stellenbosch University (SU). He recently bade farewell to a 17-year career at the Agricultural Research Council to start a new venture at Raisins SA where he is stationed at the newly established Raisins SA Vine Academy and Model Farm in Kakamas (in the Northern Cape, his home province).

In 2020 Andries and his supervisor, plant breeder Phyllis Burger, were responsible for the release of the first South African raisin grape cultivar, 'Sundowner'. This achievement earned them (jointly) the Fruit Industry Research and Technology Award. "My education formed a very important part of my journey and it's something I am very proud of," says Andries.

Trix Quixley (40) is a technical commercial manager at NexusAG and works with table grapes, wine grapes, and raisins. Her role comprises providing support to grape clients in Namibia, and the Northern and Western Cape. She completed a BSc degree in viticulture and oenology at SU, followed by honours and masters' degrees in viticulture.

Thanks to her viticulture lecturer Pieter Raath's assistance, Trix obtained a SATI bursary. This was a vital springboard in establishing her career. "I love my job and I believe that there is currently a need in the agriculture sector for skilled viticultural experts to provide guidance to grape producers."

Inclusivity through PALS

Partners in Agri Land Solutions (PALS) was born from Witzenberg Partnership fruit farmers who launched a regional initiative on 19 August 2014, for inclusive agricultural growth, job creation and improved social harmony, in line with the National Development Plan (NDP).

Witzenberg Partnership and PALS looked to Hortgro as a strategic partner in the industry and an advisor with sound corporate structures. According to Hortgro statistics the 15 500 ha of planted fruit trees in the Witzenberg area was an important figure to set certain goals in terms of the NDP principles. The value of, and investment in fruit orchards as per Hortgro's well-documented statistics, demonstrated to the ministers of land reform and agriculture, and water affairs that PALS do not regard inclusive agricultural growth as purely a numbers game.

Today PALS is a national organisation that caters for all commodities and types of agricultural enterprises, and its roots are firmly within the fruit industry. Hortgro, PALS and the Western Cape Department of Agriculture collaborated to present a land reform plan for the Western Cape, at the request of the presidency. Similarly, PALS also provided relevant data when Hortgro led the application process at the Jobs Fund, to help establish the Hortfin Fund.

"Hortgro is the custodian of the pome- and stone-fruit industry. For PALS it will always be important to regard Hortgro as an invaluable strategic partner. The positive interactions with Mariette Kotzé and her team assisted PALS to overcome several challenges. The appreciation from both organisations that we need to join hands and allow each entity to do what is in the best interest of the cause of inclusive economic growth, is very rare in South Africa. Going forward, we will be even stronger together, because we plan to work even smarter together," says Gerrit van Vuuren, strategic advisor of PALS.

"Since my first engagement with Hortgro in 2015, it became apparent that by bringing these two like-minded organisations together, both will gain so much from the combined expert knowledge in Hortgro and PALS," concludes Lennox Plaatjies, National Liaison Officer.

MARKET ACCESS

BRICS expansion: possible implications for SA (by **Mono Mashaba** Specialist Consultant: Market Development)

BRIC (Brazil, Russia, India, China) membership applications had been frozen since 2011 when SA joined the original grouping. But around 12 nations have now expressed interest in joining BRICS (Brazil, Russia, India, China, South Africa), with approximately 20 having formally applied for membership. Applicants include Algeria, Argentina, Baharain, Bangladesh, Belarus, Egypt, Indonesia, Iran, Nigeria, Saudi Arabia, Senegal, Sudan, Thailand, Tunisia, Uruguay, Venezuela and Zimbabwe.

But what benefits does an expansion hold for SA?

BRICS is partial to transformation of the system, to reflect the development interests of poor countries. Though, this is questionable, as poor countries are not included in the list of the potential new members.

SA is well placed, being considered by potential multinational trading partners as an entry point to the continent and having played a significant role in the establishment of the African Continental Free Trade Area (AfCFTA). In the Beijing Declaration, which supports AfCFTA, BRICS commits to assisting Africa to accelerate industrialisation and infrastructure development. This holds significant boosting potential for key sectors like agriculture.

As mentioned in a previous Fruit SA newsletter edition, "Despite the fact that BRICS has not focused much on the liberalisation of agriculture trade, Fruit SA will be engaging on every available pre-summit engagement platform to ensure that market access issues are included. This has not been the case in the past, even during bilateral relations between the ministers of agriculture of the five countries." Saudi Arabia, the UAE and Indonesia are already export destinations for fruit from SA. The inclusion of these countries in BRICS will further enhance their position as export destinations for our fruits, and any future trade deals between BRICS members will be beneficial.

Expanding intra-BRICS trade remains the primary tool for strengthening the forum. But this can only be substantiated once global trade figures reflect sufficient information. Global trade being driven by demand and supply, Fruit SA market access efforts continue to focus on where the demand originates, to mitigate against the unforeseen.

Larger BRICS countries may use the forum for their own political and economic expediency. Therefore, Fruit SA is poised to also pursue any potentially beneficial resolutions that come out of the Summit.

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fpef fresh produce EXPORTERS' FORUM SOUTH AFRICA

Logistics update

Recently, the Fresh Produce Exporters' Forum (FPEF) met with representatives from the Department of Forestry, Fisheries and the Environment to share input regarding development of the Oceans Economic Master Plan – specifically the Marine Transport and Manufacturing section. The plan also includes areas like Offshore Oil and Gas, Aquaculture, Marine Protection & Ocean Governance, Small Harbours Development and Coastal & Marine Tourism.

These were amongst the top priorities discussed by the FPEF:
Rail capacity into the port: Three more inland facilities are in the planning phase and these plans must be visible to all individuals. This will enable a consolidated view of developments and plans, which is vital for alignment with capacity. Another positive spin-off is that the port is enabled to manage future growth.

Merchant haulage reefer damage: This applies to the port and the grey area around merchant haulage reefer claims.

A system covering all business units: Has been proposed that ties in with industry requests to consider rail sidings as part of port visibility, by charging a terminal handling charge at the rail hubs.

Port equipment: To cover the Cape Town Container Terminal increase of capacity from 1 million to 1.4 million twenty-foot equivalent unit (TEU), sufficient replacement planning, maintenance contracts and anti-sway technology are required.

A Performance Dashboard Indicator has been developed in collaboration between the Western Cape Government and the South African Association of Freight Forwarders. It gives an overview of traffic in and around the port, as well as key measures and port statistics. The industry needs this visibility for effective planning and containing of costs.
