

ED'S NOTE

This month the Citrus Growers Association Grower Development Company brings you an exciting newsletter, with the aim of sharing some of the latest developments in the citrus industry.

While the citrus season slowly comes to a close, CGA CEO Justin Chadwick provides us with a brief overview of the latest estimates and figures of fruit packed and passed for shipping to countries around the world.

We then look into the state of our ports, and the incredible obstacles which have been overcome in recent weeks to ensure that our fruit reaches shelves and marketplaces overseas. The unrest in Kwa-Zulu Natal and subsequent cyber-attack on Transnet proved to exacerbate the bottlenecks at the Durban Port Terminal – causing backlogs and delays. The citrus industry has persevered and by no small effort, has overcome and adapted its operations to become far more resilient than ever before.

That being said, resilience takes a great deal of resolve and cannot be achieved alone. If the Southern African citrus industry is to continue growing at its current rate, it will need to ensure that its most critical resource is protected – that being its workers and employees. It is with this in mind that citrus growers have hosted several mass vaccination drives over the past few weeks. The health and wellbeing of its human capital remains a critical component of the industry's growth and success – and the CGA-GDC is happy to see that growers have made a proactive decision to help make the Covid-19 vaccine more easily available to those under their employ.

We also have a short update on the Orange Heart Fruit Drive initiative this month, which has also made waves in providing scarce food resources to

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those most severely affected by the looting and violence in Kwa-Zulu Natal.

Lastly, we touch on the latest market access updates, through the revised lemon protocol, which was recently signed by Minister of Agriculture, Land Reform and Rural Development.

As we slowly step into spring, the Grower Development Company would like to remind all industry stakeholders and role-players that we all have a hand to play in South Africa's economic recovery and reconstruction plan. The Grower Development Company hopes to significantly contribute towards this, by inspiring change, transformation and the inclusive economic growth of our sector.



Lukhanyo Nkombisa

General Manager of the CGA Grower Development Company

MESSAGE FROM THE

CGA CEO

The Citrus Growers Association of Southern Africa (CGA) is pleased to announce that the South African citrus industry remains on track to export an updated estimate of 161 million cartons of citrus fruit in 2021.

As it stands, South Africa has now packed and passed 95% of its citrus for export this season. Over 30.4 million cartons of lemons have been passed for export. This figure is 200 000 cartons higher than the original estimate predicted for this season. And there are still another 200 000 cartons of lemon which remain to be processed. This would indicate that based on current predictions, our final export figures for lemons will be 400 000 cartons above the original estimate for the 2021 season.

There are over half a million cartons of navels which still need to be packed and passed for export, bringing our latest predictions for navels up to 27.1 million cartons.

Although most citrus fruit categories have largely been passed for export, we still have close to 6.7 million cartons of Valencia oranges which need to be shipped out. The prediction is now set at 55.7 million cartons, almost 600 000 cartons over the final Valencia export figures for last year.

Grapefruit continues to be packed and shipped for export, with the latest predictions indicating that a total of 17.6 million cartons will be exported this season, just 400 000 cartons below the original estimate for 2021. The most recent predictions for



soft citrus also show a slight decrease from the original estimate, with 30.3 million cartons set to be shipped this season, coming in just 200 000 cartons below the original estimate.

While somewhat below original estimates, both grapefruit and soft citrus have increased their export figures over the past year, with both categories producing between 3 and 7 million more cartons for export than what was packed and shipped in 2020.

While this citrus export season has been met with several obstacles and challenges, our sector continues to work in a united fashion to address all present difficulties with the aim to overcome them. We hope to keep building on this resolve in order to help cultivate a sense of resilience that will continue to guide us through any other obstacles we might face in future.



STATE OF OUR PORTS

OUR PORTS

South African ports have faced severe bottlenecks and congestion as a result of a confluence of factors over the past few months. It will certainly take a joint effort between the public and private sector to ensure the port's ability to ship the remaining 30 million cartons of citrus fruit that is due to be exported this season. This will certainly be a noteworthy achievement, given the numerous setbacks faced by the industry over recent weeks.

The disruptions related to the civil unrest in Kwa-Zulu Natal and subsequent Transnet cyber-attack recently caused a high degree of congestion within the Durban port precinct, threatening the citrus industry's ability to reach foreign markets with the fruit quality our importers are accustomed to receiving.

The CGA, and all relevant stakeholders, including Transnet, the Fresh Produce Exporters Forum (FPEF), Department Agriculture, Land Reform and Rural Development (DALRRD) and Perishable Produce Export Control Board (PPECB), shipping lines and Cold Storage operators met on a daily basis during this time to find innovative solutions to help ease the congestion. Several key role players requested that the CGA and FPEF assist in alleviating the pressure by calling on growers to temporarily suspend harvesting and packing in order to allow for the backlogs to be cleared. The CGA and FPEF subsequently sent a notice to all growers delivering citrus to Durban port requesting them to cease packing for five consecutive days in early August.

This temporary yet impactful solution helped ease the congestion across our supply chain in order to assist Port operations to return to maximum capacity. The CGA continues to monitor the situation closely, while regularly engaging with Transnet,

DALRRD and other stakeholders across the value chain in order to ensure that any remaining blockages are addressed. These proactive decisions have assisted in ensuring that South African citrus fruit continues to be exported to key markets.

A noteworthy mention must be made of all the citrus growers who heeded the call to suspend packing and harvesting during this time. Their extraordinary effort helped ease congestion at the port of Durban, and is a reminder of how cooperation under trying circumstances builds unity and strength.

While the citrus industry remains on track to export millions more cartons than in previous years, the recent setbacks have cast a spotlight on the sector's heavy reliance on the efficiency of South African ports. If the citrus industry is to maximise its potential as a South African exporter, it is going to need government and other stakeholders to continue playing their part to better protect and capacitate our ports.

It is with that in mind that the citrus industry welcomes the recent publication of the RFI's for the private public partnerships in the Durban Port Container Terminal Pier 2 and the Nqura Container Terminal.

Citrus growers and all relevant industry associations will need to continue working hand-in-hand with government to secure, maintain and retain as many market access opportunities as possible.

Optimising access conditions will be essential for the continued growth of our industry, while we continue to work with government to help rebuild and grow the South African economy.



CITRUS

INDUSTRY VACCINATION DRIVES

South African citrus growers have continued to assist in the prevention of the spread of Covid-19 by regularly organising mass Covid-19 vaccination drives for workers on their farms over the past few months. Citrus growers from Limpopo and Mpumalanga have partnered with their provincial health departments and local NGO's to create vaccination sites on their farms in order to make it convenient for workers to get vaccinated, with the overall aim being to protect the health of their employees.

The farm-based vaccination drives are the result of a concerted effort by growers who identified a number of factors that were hampering their workers getting vaccinated. This included a lack of data and poor internet connection to register on the Covid-19 registration portal. Several vaccination sites in their provinces were also situated far from citrus growing farms, meaning workers would need to incur high transportation costs and time off work in order to obtain their vaccines.

Groep 91 Uitvoer in Letsitele, Limpopo, partnered with the Mopani District Department of Health to organise a mass vaccination day on the 5th of August. A vaccination centre was set up at Groep 91's Kaross Embroidery Studio facilities with 497 workers being vaccinated on the day.

Rosle Farm in Groblersdal, Limpopo partnered with local NGO, the Ndlovu Care Group, to assist the Provincial Department of Health with its vaccination roll-out programme. Vaccinations were made available at the farm during working hours over two separate days. This resulted in 1700 workers being vaccinated.

The Mahela Group in Letsitele, Limpopo, reached out to the provincial health department requesting assistance to get their workers vaccinated. A vaccination centre was set up in a hall on the farm and 397 workers were vaccinated. The Mahela Group extended an invite to their vaccination facilities to several other employees from surrounding businesses to also get vaccinated on the day.

Tomahawk in Malelane, Mpumalanga also teamed up with the provincial department of health to set up a vaccination site in one of the packhouses on the farm, with over 550 workers receiving their vaccine over two days.

To date, the citrus industry has recorded the vaccination of over 10 600 employees in just over a month and a half.

Citrus growers and their employees have made a remarkable effort through mass vaccination drives to help assist in preventing the continued spread of Covid-19 in our country. With every vaccination drive, we are able to take one step closer towards the full re-opening of the South African economy.



Images 1-3: Citrus growers have arranged mass vaccination drives across citrus-growing regions in South Africa



UPDATE **NATIONWIDE CITRUS DONATIONS**

The Covid-19 crisis and subsequent looting in Kwa-Zulu Natal has left many South Africans in a position of food insecurity, with many going hungry. The Orange Heart Fruit Drive is one of the many social responsibility initiatives of the Citrus Growers' Association of Southern Africa. It provides a structure through which citrus growers and other industry stakeholders can contribute to uplifting and supporting the people of our country, especially those living in rural citrus-growing regions.

Originally established in 2020, the Orange Heart Fruit Drive has made a considerable effort to alleviate the effects of Covid-19 on many households in South Africa. Approximately 1 500 tonnes of fruit was received and distributed nationwide during the 2020 season.

These donations of food supplies and citrus fruit have continued well into 2021. Through the Orange Heart Initiative, citrus growers can now make use of a formally established platform to directly give back to those in need.

Most recently, citrus growers from the Eastern

Cape and Mpumalanga arranged a donation of 75 food parcels for families in Mthwalume and Empangeni in Kwa-Zulu Natal. Both communities were severely affected by the violence and looting that took place in July. The Kuyameka Foundation assisted the Orange Heart Fruit Drive with the distribution of these food parcels, which were able to feed over 600 people. The food parcels prepared for both communities each contained 10kg of rice, 10kg of maize meal, 2.5kg of flour, 2.5kg of sugar, curry powder, stock cubes, yeast, speckled beans, baked beans, pilchards, powdered soup and milk, as well as toothpaste.

To date, citrus growers have donated over 47 tonnes of citrus fruit to communities in need in 2021.

Uplifting those less fortunate and promoting rural growth and development is very important to the citrus industry. Through the Orange Heart initiative, citrus growers are encouraged and enabled to get involved and lend a hand to those who have been impacted by the exacerbating circumstances caused by the outbreak of Covid-19.



Community members in Mthwalume receive their food parcels from the OHFD via the Kuyameka Foundation

LEFT • Images 1-3: Citrus growers continue to donate fruit to the Orange Heart Fruit Drive (OHFD) Initiative





MARKET ACCESS UPDATE: SOUTH AFRICAN LEMONS ARE HEADING TO

CHINA

Citrus growers in South Africa recently welcomed the signing of a revised citrus protocol between South Africa and China by the Minister of Agriculture, Land Affairs and Rural Development, Thoko Didiza.

The revised protocol took over 6 years to finalise, following a request submitted by the citrus industry to exempt lemons from the current regulatory requirements for False Coddling Moth (FCM) in light of the category not being a host for the pest.

Up to now, Argentina and Chile have dominated southern hemisphere lemon exports to China. However, once the revised protocol is in place, South Africa is expected to surpass both countries, exporting 25 000 tons of lemons to China by 2024.

With local lemon production expected to grow by 175 000 metric tons in the next 3 years, the finalisation of this protocol means that China will

now become a critical new market for this fruit sector's growth and will secure R325 million in new export revenue and secure 800 jobs in the industry.

The local industry has already enjoyed phenomenal growth in exports to China in recent years, with shipments of grapefruit, orange and soft citrus reaching 130 000 metric tons last year (2020).

Our local citrus industry looks forward to continue working with the Department of Agriculture, Land Affairs and Rural Development, South African embassies, various government authorities and other industry stakeholders to keep optimising, expanding and retaining key markets including China, the United States of America, India, Philippines, Japan, Vietnam and the European Union. In this way, it hopes to help grow the South African economy, in a meaningful way that translates into increased job opportunities within the sector.

