

Newsletter

March 2018

Table grape brings joy to top retailers

A locally developed seedless table grape cultivar, Joybells, has received a thumbs-up from top UK retailers, Marks & Spencer and Morrisons after technical tasting and exclusive sales in their respective outlets.

Joybells was bred and developed by the Agricultural Research Council (ARC) Infruitec-Nietvoorbij and commercialised by the private company Culdevco (Pty) Ltd. After the development and initial planting of seedlings on ARC experimental farms, the variety was grown on the Clovelly De Doorns Farm of Anthony Hill in the Western Cape.

Hill introduced Joybells to Global Pacific Produce South Africa, an export company, to initiate the marketing and tasting in the UK. The process started in 2014 when Joybells was incorporated into the Global Pacific sampling plan to Morrisons. >



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DID YOU know?

The Citrus Academy received a record-breaking number of bursary fund applications for the 2018 academic year - **652!**

Congratulations to the 85 successful applicants!



Fruit Logistica 2018

The South African breeding programme for table grapes received a welcome boost with the launch of the new variety at Berlin's Fruit Logistica trade show in Germany. Excellent reviews have been received from prominent global retailers, who already sold commercial shipments of Joybells as a premium variety over the past two South African table grape seasons.

Dr Leon von Mollendorff, General Manager of Culdevco, says information and plant material have been gradually released to the industry to ensure that a proper evaluation of the variety was done across the value chain, over a number of years.

SATI's Willem Bestbier says that the unique benefits the South African table grape industry brings to the highly competitive international trade are profitability and well-adapted cultivars. "We firmly believe that our competitive edge in the market is technology-driven and there is nothing better than a home-made success story, this time in the form of an exciting new grape variety," Bestbier emphasized.

Count us in, Mr President

Fruit SA has extended its well-wishes to President Cyril Ramaphosa on his election as the country's President and his inspiring State of the Nation Address. The South African fruit sector, committed its support to the President's call for mutual trust, cooperation and partnerships to take South Africa forward.

"Despite the challenges faced by the country and agricultural sector, Fruit SA believes that these are not insurmountable if we - government, labour and the private sector commit to working together in finding progressive solutions."

Mr President, the fruit sector, with more than 300 000 jobs, is one of the biggest employers in the agricultural sector and has a major global export footprint. Through our various development and transformation initiatives, we also provide support to thousands of new black entrants into the sector. We remain a vital rural development component as a source of livelihood for communities who depend on us," Mr Willem Bestbier, Chairman of the Fruit SA Board said in a letter to the President.



President Cyril Ramaphosa

Fruit SA also committed to continue to fly the South African flag high internationally, amongst governments, stakeholders and investors regarding the value of the country's produce and the economic potential of the sector which exports more 60% of local fruits to more than 90 countries.

"We further commit to the transformation of our industry - this includes agricultural economic development based on a value-chain approach - and to address socio-economic imbalances and challenges in rural areas in partnership with the public sector. Mr President, count on us as a committed partner in your efforts to build and take South Africa forward," Bestbier said.

Photo: GovernmentZA on Visualhunt.com

SARS explains sugar levy

The South African Revenue Service (SARS) will collect the Sugary Beverages Levy from 1 April 2018. The levy is fixed at 2.1 cents per gram of the sugar content that exceeds four grams per 100ml, which means the first four grams per 100ml are levy free.

SARS said the levy falls under the Rates and Monetary Amounts and Revenue Laws Amendment Bill 2017, as passed in Parliament on 5 December 2017. The licensing and registration of manufacturers of sugary beverages will take place from February 2018.

The Sugary Beverages Levy returns and payments can be submitted electronically through SARS eFiling and will also be accepted at Customs and Excise branches. Only commercial manufacturers that produce sugary beverages with a total annual sugar content in excess of 500kg per year need to be licensed and pay the levy. Non-commercial producers below this threshold will be expected to register but will not be subject to the levy.



Drought challenges industry

Government legislation does not provide drought aid to fruit producers. The Land Bank does allow loans, but the administration and application process is complex and time consuming. However, there are interest groups working together to provide humanitarian aid in certain regions.

Western Cape fruit farmers and rural communities are under tremendous socio-economic pressure due to the crippling drought, according to the deciduous fruit industry organisation, Hortgro. Agriculture in general, specifically the fruit industry, has made great progress with the efficient use of water-saving technologies. Hortgro is concerned about the unfounded and irresponsible statements made by politicians and uninformed social media users about agriculture and water-use.

Hortgro's Trade and Markets Manager, Jacques du Preez, says that the current season is a real challenge. "Harvest prospects are not rosy, showing several decreases in crop volumes that will put the export and local market under pressure. The latest crop estimates for mid to late plums, late nectarines, apples and pears are lower than last year. The figures do not tell the full story. We are in the midst of a drought cycle, so when the full potential of the industry is taken into account, harvest estimates are in some cases down by 25%."

Du Preez points out that the water challenges experienced by farmers may have a devastating socio-economic impact on the province. There are more than 308 000 workers and their dependents on farms in the fruit industry. The biggest impact is on seasonal workers with an estimated 22 000 jobs that are affected.



Committee to study drought effects

The National Agricultural Marketing Council (NAMC), has established a high-level committee to consider the impact of and generate plans to mitigate the effect of the drought facing the country. The committee consists of representatives from organised agriculture, agribusiness, government, academia and research institutions.

"Section 7 of its founding legislation, the Marketing of Agricultural Products Act of 1996, mandates the NAMC to carry out special investigations on matters of concern to the agricultural industry. The current drought from which some parts of the country are struggling to recover, is one such matter," said the NAMC Chief Executive Officer, Zama Xalisa.



The committee must come up with a smart drought disaster management plan using reliable data, intelligence and state of the art analytical tools to advise current policy processes around drought and disaster response, and will focus on interventions that mitigate the anticipated long-term recovery from the drought and the past drought in 2015/16.

The Committee will produce evidence of the economic impact of drought on key agricultural subsectors in South Africa and present possible future scenarios to show outcomes of various responses to drought.



Container transport dilemma

The fruit industry believes that the ever-increasing cost of harvesting, production and transport in South Africa warrants various forms of strategic intervention.

A Fruit SA rail transport strategy developed to create a sustainable and efficient transport link for the exporting of fresh fruits has been shared with relevant stakeholders.

According Justin Chadwick, CEO of the Citrus Growers' Association on the 31st of December this year, the moratorium issued by the Minister of Transport to permit high cube containers to be transported on South African roads above the 4.3m regulation expires.

Industry concerns

Concerns from the industry are, if the matter is not resolved with a suitable outcome, the transportation of high cube containers will be illegal if transported on trailers with a deck height higher than 1.4m. 80% of trailers used to transport containers are flat deck trailers, which mostly have a deck height higher than 1.4m.

Fruit SA have been working alongside the South African Association of Freight Forwarders (SAAFF) and the Road Freight Association (RFA) to encourage the Department of Transport to either extend the moratorium (to allow for more research to determine if there are any implications to changing the regulations), or to amend the regulations to permit ISO Containers to be transported on SA roads to a maximum height of 4.6m (as is the case of double decker buses).

Fruit SA has an application in progress for associate membership with SAAFF.

New minimum wage

The Department of Labour says the new minimum wage for employees in the farm and forestry sectors are set to increase by 5.6 percent.

The new minimum wage will come into effect from 1 March 2018. The minimum wage will increase to **R3 169.19** per month, up from the **R3 001.13** in 2017/18. The weekly minimum wage will be **R731.41**

The daily minimum wage for these employees will be **R146.28** and the hourly minimum wage will be **R16.25** an increase from **R15.39** in 2017/18.

The national minimum wage will be reviewed on 1 May of each year, in line with government's aim of alleviating poverty in the labour market.

"In the review of [the national minimum wage], the commission which advises the Minister [of Labour] has to take a number of factors into consideration such as inflation, the cost of living, wage levels, wage differentials, productivity, the ability of business to carry on successfully as well as the impact on Small Medium and Micro-sized Enterprises (SMMEs) and employment," Director of Employment Standards at the Department of Labour, Stephen Rathai said.

According to Rathai the review process should also promote medium-term targets to reduce wage differentials and alleviation of poverty. The national minimum wage is scheduled for implementation from 1 May 2018.





E-Cape invites drought-affected farmers

In light of the drought experienced by farmers in the Western Cape and the potential for job and investment losses, the Eastern Cape Department of Rural Development and Agrarian Reform has invited Western Cape farmers hit by drought to consider moving some of their farming enterprises to the province.

"We are currently implementing the agriculture economic transformation strategy, which needs massive investment on crop, grain, horticulture and livestock production. Our department is currently working with leading commodity groups in up scaling commercial production, working with black farmers some who are land reform beneficiaries.

Currently, we have invested millions of rands to revamp farming infrastructure, expand production for grain, citrus, pineapple, deciduous fruit, and livestock to up the ante in terms of agriculture investment to create jobs and grow the provincial economy," Eastern Cape Rural Development and Agrarian Reform MEC, Mlibo Qoboshiyane, said.

He further emphasized that the Eastern Cape has investment incentives to help farmers from the Western Cape to set up their farming enterprises in the province by partnering with landowners from the province to produce various commodities.

Companies score at Trade Fair

The 2018 Fruit Logistica Trade Fair which took place in Berlin, Germany has yielded positive outcomes for two local export companies. Over the years, the Department of Trade and Industry (DTI) has assisted hundreds of businesses through its Export Marketing and Investment Assistance scheme. The scheme develops export markets for South African products and services.

The two companies which are based in the Western Cape received financial support from the DTI and were part of 25 local companies that participated at the trade fair this year. Idea Fruit's Chief Operating Officer, Dumisani Davids, said his company has managed to secure new deals in South East Asia and some parts of Europe.

"We had fruitful engagements with representatives of companies from India, Bangladesh, Malaysia, and Indonesia, who were keen to source fruits from us as soon as the season starts. Bangladeshi representatives want to buy just about everything from us for a new city in the north that is currently being industrialised. We also had some good orders from India and Malaysia," said Davids.

Fruit markets

Managing Director of UniChoice, Anton van Zyl said his company received orders from importers based in Canada, Europe, India and the Middle East. "The best thing about the new orders for our citrus, table grapes, apples, pears, butternut and pumpkin that we received is that they are long-term," he said.

The Economic Counsellor at the South African Embassy in Berlin, Jacob Moatshe, pointed out that Germany is also an important fruit market for South Africa.

The trade fair, which takes place annually in Berlin, covers every sector of the international fruit and vegetable supply chain from production, distribution and marketing, through to the point of sale. Global players, as well as small and medium-sized suppliers from all around the world showcase their services and products at the event.





Mega nuts factory

The world's largest macadamia factory will be opened in White River, Mpumalanga, later this year. The new state-of-the-art mega factory will be open to all macadamia nut farmers. The demand for suitable land for macadamia nuts production has increased sharply and supplies of plants from nurseries are reportedly tight with orders almost two years ahead.

According to the Southern African Macadamia Growers Association (SAMAC), new macadamia tree plantings in South Africa have tripled in the last four years from 1 250 hectares in 2013 to 3 870 hectares in 2016, with an almost doubling of plantings between 2015 and 2016 from 2 000 hectares to 3 870.



Currently there are 28 000 hectares of established macadamia orchards with the largest growing region being in Mpumalanga followed by Limpopo and KwaZulu-Natal. Employment in the industry is estimated at 12,500 full time equivalent workers across the macadamia value chain. This includes seasonal workers for harvesting and processing from February to August.

Phase one of South Africa's biggest macadamia factory in the 2018 season aims to meet astronomic increase in supply. Completion of phase two of the project is expected in 2020. Key components include total processing capacity upwards of 15 000 tonnes dry nut in-shell, further technology and equipment upgrades as well as increased storage and warehousing.

Fruit industry trends

The fruit industry is the largest contributor, by value, to South African agricultural exports. The industry has a high job-multiplier effect and creates in excess of 400 000 jobs throughout the value chain. The industry is also an important generator of foreign currency inflows – about 90% of income derived from fruit earnings is

from foreign exchange, with a total export value of approximately R22 billion. It is thus of national importance.

Fruit and nut demand is relatively resilient. Over the past decade, both these industries have performed exceptionally well, despite the global recession, with growth in trade surpassing that of the global average. With the right conditions and proper application of water technologies, plant improvement and the development and planting of new cultivars, they should grow substantially over the next two decades. However, this will be subject to a stable policy environment that ensures investor confidence.

Export opportunities

While traditional fruit crops such as citrus, table grapes and deciduous fruit still make up the bulk of the value and volume of fruit exports, new categories are growing fast. Exports of subtropical fruit and tree nuts are increasing at a rapid rate, as middle-income consumers in developed markets particularly are demanding more variety. Consumers in emerging markets, especially in Africa and Asia, are also increasing their consumption of fruit substantially.

Tru-Cape surpass 16 million sales mark

Tru-Cape broke the 16 million carton sales in 2017 and hopes to consolidate this year.

According to Roelf Pienaar, Managing Director of Tru-Cape Fruit Marketing, the largest exporter of South African apples and pears, in 2017 the company saw an increase of about 8% - breaking the volume record of 16 million cartons for the first time.

"Although it is still early days we are hoping to consolidate in 2018, despite the impact of the drought in the Western Cape. With new orchards coming into production we should end up with more or less what we planned for 2018. Due to the adverse weather it could be that our overall fruit size is smaller than in previous years.

Challenges notwithstanding, Tru-Cape is positive that 2018 will be another profitable year." he ends.



Life-skills for employees

At Bronaar Farm in the Koue Bokkeveld Apols and Sofia Kamfer spoke openly about how they had experienced the Adult Man and Complete Woman programmes which were recently offered on the farm. They provided feedback about what they had learned during the programme and the impact on their personal lives.

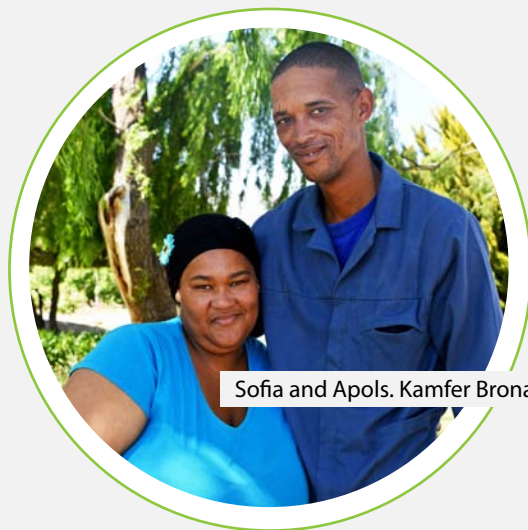
Apols is a spray operator and Sofia is a general worker and they both work at Bronaar Farm. They were both single parents and had never been married when they met at a training course three years ago. They got married in 2015 and soon afterwards their daughter Akeelha was born.

Philani Training and Development Solutions PNC has been offering training courses in the farming sector of the Deciduous Fruit industry since the 1990's and at present Philani presents business skills, life skills and health training to all commodities of primary agriculture, businesses in secondary agriculture, fisheries and factories as well as in the health sector.

Problem-solving skills

Two of the development programmes that they offer are called Adult Man and Complete Woman. These programmes focus on dealing with personal health problems such as stress, depression, addiction, HIV Aids, family care and personal finances.

These initiatives have recently been offered on farms in the Koue Bokkeveld area north of Ceres and have resulted in a significant positive influence in the lives of people living and working on farms in the area.



Sofia and Apols. Kamfer Bronaar Farm

Apols explained at that the programme also touched on household budgeting and how important it is for a couple to make a communal household budget based on the household income and to stick to this.

"The section on finances also taught us how important it was to work together regarding finances, to pay off existing debts and also to try to remain debt free as far as possible," says Apols. (By Louise Brodie)

SIZA receives gold rating

The Sustainable Agriculture Initiative Platform and the South African sustainability standard for social and environmental assurance (SIZA) announced the results of an equivalency project aimed at understanding the gaps between SIZA and the Farm Sustainability Assessment (FSA).

The SIZA platform offers two separate standards for South African producers. One covers relevant social criteria and the other relevant environmental criteria. Both standards were thoroughly reviewed against SAI Platform's Farm Sustainability Assessment 2.0 (FSA) and result was a maximum Gold level of equivalence (100% essential, 100% basic and 100% advanced).

"The benchmark with the FSA was a strategic exercise for us as SIZA's goal is to provide a locally relevant yet internationally recognized sustainability standard for South African producers", explains Retha Louw, SIZA's General Manager. "The Gold rating of equivalence will give the market confidence that the SIZA standards are credible and this will support their adoption throughout the supply chain," Louw said.

SIZA is a membership based programme designed to assist growers with ethical labour and environmental practice standards whilst minimizing costs by reducing the number of audits required for market assurance.

To date there are nearly 1 800 registered members on the SIZA Platform.



Tackling 'hidden' labour issues

Producers are encouraged to attend and make use of a new programme launched by Stronger Together, WIETA and SIZA aimed at tackling hidden labour exploitation or modern slavery. Caroline Poole, project manager of Stronger Together in South Africa, talked to Glenneis Kriel about the initiative.

What is the purpose of the programme?

The programme is aimed at protecting the reputation of businesses in the wine and fruit industry. The United Kingdom in 2015 introduced the Modern Slavery Act aimed at addressing slavery and human trafficking both in the United Kingdom and its global supply chains. The legislation requires businesses and retailers to make public efforts aimed at stopping the use of forced labour in its operations and supply chains. Similar legislation is being introduced in other countries, including France, Australia, the United States and Netherlands.

Is it relevant for South Africa?

It will not reflect well on South African suppliers if they do not comply with the new regime. The thing is that consumers in first world countries across the world are becoming increasingly demanding about the origins of their food. They want to know it was produced in an ethical environment and that workers received fair wages.

It is still uncertain how trespassing retailers and companies would be penalised, but non-compliance could result in South Africa losing access to the British market, which could also have a knock-on effect on other first world countries.

The goal of the programme is therefore to empower suppliers and ensure they recognise and correct areas where they might be at fault, and by doing so assist the UK market to adhere to the requirements set by legislation.



What impact has occurred this far?

Retailers have so far indicated that they would not accept produce from fruit or wine businesses in future, unless the operations are accredited for ethical practices by a recognised company, such as the Sustainable Industry Initiative of South Africa (SIZA), the Wine and Agricultural Ethical Trade Association (WIETA) or Fairtrade.

The British definition of modern slavery is much broader than the traditional definition. South African legislation also does not make adequate provision to address these issues. We have a law against human trafficking, but forced labour is only vaguely referred to once and that is the Labour Act. There is therefore a risk that producers might be unknowingly implied, if they make use of labour brokers or if their own staff - managers or supervisors - are found guilty of these offences.

How does the programme work?

Stronger Together South Africa together with SIZA and WIETA, brings together industry bodies and businesses across the fruit and wine supply chains, to support responsible business practices since responsible businesses are key in tackling hidden labour exploitation. Businesses will be supported to take proactive measures to detect, deter and deal with forced labour within their own operations and supply chains.

The programme will facilitate dialogue between fruit and wine companies and the international markets they supply. Producers, their staff and other stakeholders will also be able to access advice through a free downloadable toolkit, guidance and resources, and training workshops starting in January 2018. The workshops and toolkit are available free of charge.

Workshop schedule:

2018	Areas
Feb - March	KwaZulu-Natal
March - Sept	Western Cape
May - June	Northern Cape
End Sept - Mid Oct	Limpopo & Mpumalanga
Oct	Eastern Cape



CEO's note

Global trends favour fruit, but...

With this first Fruit SA newsletter for 2018, I want to welcome you back and wish you a fruitful year (notwithstanding that it is February already!). February is a busy month for the fresh produce industry, with the global fresh produce fraternity traveling to Berlin for the Fruit Logistica trade show. Fruit Logistica is the biggest fresh produce show in the world, setting another world record this year with more than 3100 exhibitors from 80 countries. The South African pavilion was superb this year, both in terms of design and location (located in the Americas and Africa Hall), thanks to the Department of Trade and Industry and FPEF.

The Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE) had their AGM on the sidelines of the Fruit Logistica show and it was exciting to note the significant increase in global export from SHAFFE countries, with South Africa leading in terms of volumes. This trend is expected to continue as the demand for fruit and vegetable which is largely driven by the rapid population growth in combination with growing expenditure on food - with special emphasis on enhanced nutritional choices that favor fruit and vegetables by consumers - is expected to rise.



Key analysis on future trends in fruit and vegetable markets are summarized in the 2018 Fruit Logistica Trend Report titled 'Disruption in Fruit and Vegetable Distribution'. A number of critical futuristic questions are also raised in the report, namely... Will the recent trends for diets that favor fresh produce continue? How will new technologies change the supply-chain? Where will fresh fruit be sold in 2025 and beyond?

One of our key highlights as the South African fruit industry at the Fruit Logistica was the launch of the much talked about, locally developed seedless table grape cultivar, Joybells. Fruit SA is proud of the partnership between the Agricultural Research Council (ARC) Infruitec-Nietvoorbij, the South African Table Grape Industry (SATI) and Culdevco (Pty) Ltd which made this celebrated cultivar possible. This is a great example of what can be achieved in a functional public-private partnership.

Lastly, in the context of job creation and business development, efforts by the Department of Trade and Industry through its Export Marketing and Investment Assistance Scheme to expose 25 local SMME's to the Berlin Fruit Logistica trade show this year, was highly commendable.

Oriental fruit fly outbreak



agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

The Department of Agriculture, Forestry and Fisheries (DAFF) has announced the detection of the Oriental fruit fly in Grabouw, in the Western Cape Province. The Oriental fruit fly is an exotic fruit fly native to Asia, previously described from Africa as the Invader fruit fly (*Bactrocera invadens*). People in all provinces producing the host crops of this pest are advised to stay alert and practice the stipulated control measures.

On 31 January 2018 one male specimen was detected in the Grabouw area in the Western Cape in a protein baited trap. The trap was serviced by Fruit Fly Africa who immediately reported it to DAFF. The identification of the specimen was confirmed by a fruit fly specialist on 1 February 2018. On 6 February 2018 a female specimen of the OFF was detected in the same trap as the first detection and the identification was confirmed by a fruit fly specialist on the same day.

Final confirmation of the identification of the specimens was made by means of PCR analysis. A quarantine area of a 5km radius from the detection point was established after the first detection and a delimiting survey was initiated on 2 February 2018.

Growers, packing and processing facilities of host material have been placed under quarantine and eradication initiated in a 25km² area surrounding the detection point. Growers within the eradication area will have to apply for permits to remove produce for packing or to move produce outside the area subject to phytosanitary conditions.

On 14 February 2018, a third specimen was detected in a methyl eugenol baited trap approximately 6km from the first detection point close to Grabouw. Community members and farmers are reminded not to remove fruit from quarantine areas to non-quarantine areas without first receiving a removal permit which is obtainable from the DAFF in terms of the Control Measures R.110 of the Agricultural Pests Act, 1983 (Act No. 36 of 1983).