



**Citrus
Growers'
Association**
OF SOUTHERN AFRICA

ANNUAL REPORT 2015

Citrus Growers' Association

of Southern Africa

Reg. No, 2000/010147/08

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**SUPPORTING
CITRUS GROWERS
TO BE GLOBALLY
COMPETITIVE**

OUR MISSION

The Citrus Growers' Association will
maximise the long-term
profitability of its members

STRATEGIC OBJECTIVES

- Administer, fund and resource the CGA Group
- Gain, retain and optimise market access
- Fund, control and implement research and development
- Provide product and quality assurance
- Engage with government and other stakeholders
- Assist grower profitability and sustainability
- Drive industry transformation
- Facilitate efficient logistics

CONTENTS

Chairman's Report	3
CEO's Report	4
CGA Board of Directors	5
Administration	6
Communication	7
Variety Focus Groups	8
Finance	9
Risk Management	10
Logistics	11
Information	12
CGA Citrus Summit	14
Citrus Legends 2015	15
Market Access	16
Research and Technical	19
Transformation	22
Citrus Academy	24
CGA Cultivar Company	26
River Bioscience	28
Consumer Assurance	30
XSIT	32
Citrus Producing Regions	33
Exports	34
Abridged Financial Statements	35



“There is less to fear from outside competition than from inside inefficiency, discourtesy and bad service” - Anon.

This certainly proves to be true as our Southern African citrus industry excelled to about 115 m export cartons by means of efficient, great quality and superior service to a world market despite the negative efforts of “competition”. At the start of each season, we face new adversities and 2014 was predicted to be our toughest season yet. I would judge that it has been, but also that it was a huge success considering what could have been.

This is testament to the brilliant, diverse and hardworking people we are blessed with in our Industry. As an Industry, from pickers, packers, growers, researchers, Industry personnel and everyone in between, we faced more challenges and surpassed all odds to look at a score board of 2014 and call it a resounding win.

Die woord “Krisis” in Chinees het 2 simbole - die een beteken gevaar en die ander geleentheid. In sovele opsigte beleef ons bedryf en Landbou in die algemeen, 'n krisis. Ek het 'n studie gemaak van sitrus bedrywe van ons kompetisie oor die wêreld: dis nêrens meer suksesvol nie, makliker wel, maar nie beter nie. Daar is beslis geen sitrusindustrie so goed georganiseer en doelgerig soos Suid-Afrika nie. Dis moontlik ons grootste bate sonder dat ons dit beseef. Ander lande is organisatories in chaos en gevolglik finansiële onder geweldige druk. Trouens, sonder die CGA sou ons beslis die EU as mark verloor het en ons bedryf gekelder het.

Another highlight of 2014 is the progress towards the formation of the CGA Grower Development Company. This company is a great vehicle to identify, assist and nurture opportunities for new growers and our Transformation efforts. There is no law in South Africa prohibiting any citizen of involvement in Agriculture, in fact, only a plethora of aid initiatives to assist. We invite interested people to contact the CGA GDC to help them be successful in citrus production and become part of the commercial Citrus Industry. We have wonderful success stories and partnerships in the Citrus Industry but our humble nature probably limit our advertisement thereof. “The only place where success comes before work is in the dictionary”. The success of transformation lies in the attitude and hard work, like any business. I believe the CGA GDC will be instrumental in the guidance of willing new growers. I think the mind-set of the CGA can be found in the words of Mark Twain: “Always do right. This will gratify some people and astonish the rest.”

Die terugvoer en besware van Groeiers rakende tydskerekening van die CRI Sposium, is deur die Direksie opgelos met die eerste, tweejaarlikse Sitrus Kongres in Maart. Die doelwit is om alle groeiers bymekaar te kry, en in kontak te bring met al die Personeel en hul werksaamhede. 'n Suksesverhaal wat elke tweede jaar in 'n ander produksie area aangebied sal word.

I have said before that the CGA and its people will leave no stone unturned to get to a solution



PIETER NORTJE
CHAIRMAN

for the EU-CBS issue. The pain, efforts and expenses every grower must endure is not sustainable. We met with various Ministers and finally we have the decision from Minister Davies to take the matter to the WTO. This will unfortunately take time, but we have to bring the matter to finality.

I thank every single person in the employ of the CGA, CRI, RB, XSIT, CA, CGA CC, CGA GDC and co-opted members working behind the scenes to make the South African Citrus Industry the greatest in the world.

I thank every grower for your support, input, and suggestions and belief in our Association. Without this, our future and sustainability would be severely challenged.

Ek dank die Hemelse Vader vir leiding en Seën. Mag 2015 vir u elkeen Geseënde Vrugte bring.



JUSTIN CHADWICK

CHIEF EXECUTIVE OFFICER

Unfortunately the long standing dispute with the European Union with regard to Citrus Black Spot (CBS) remains unresolved. As an industry it is clear that international technical dispute resolution mechanisms as formulated within the International Plant Protection Convention (IPPC) cannot progress unless there is a willingness by both parties to resolve the dispute - all actions by the EU seem to point to the opposite; continuation of the present measures meets their protectionist agenda. The IPPC system itself is flawed - expecting disputing parties to agree on terms of reference and composition of an expert panel is in itself a problem. If one party wants to stall the process they can do so by rejecting the IPPC Secretariats recommendation - time after time. The CBS-RSA-EU case was referred to the IPPC in 2010 - some five years later we are not a step forward in resolving the dispute. This means that there are no options available but to proceed with a more confrontational and expensive WTO dispute.

A very rough estimate is that the South African citrus value chain spent an additional R1 billion on EU exports as a result of the CBS issue. This includes extensive on farm and packhouse activities - as well as pallets and container storage and distribution disruptions and diversions. This is a huge costs and lends support for bringing the scientific dispute to some form of resolution. The Citrus Growers Association (CGA) employed additional resources to ensure compliance and to engage at all levels of industry and government (in the EU and South Africa) to keep trade open in 2014.

The CBS issue has highlighted the dependence on the EU market. Considerable attention is given to growing alternative markets - particularly in the Far East and Eastern Europe. This has resulted in a shift away from the EU - which will continue should the present EU measures remain in place. Increased exports into South East Asia are as a result of proactive steps taken by Department Agriculture, Fisheries and Forestry (DAFF), Department Trade and Industry (the dti) and Department International Relations and Cooperation (DIRCO). South African Embassies in these countries have been influential in keeping fruit industry matters on the agenda.

While the EU have introduced new measures with respect to CBS, the USA have done the opposite - introducing rule making that, once completed, will result in wider access for South African citrus. This on the basis that fruit cannot be a pathway for the disease (as confirmed by the world's leading CBS researchers). Progress has also been made in the pilot project reviewing the cold treatment regime. Unfortunately all

this progress has been overshadowed by the poultry spat and its impact on the Africa Growth and Opportunity Act (AGOA). Given the importance of AGOA to South African citrus exports, CGA has dedicated resources to assist government in addressing this issue.

A highlight of the 2014/15 season was the First Citrus Summit held from 11 to 12 March 2015. This Summit showcased the range of activities and services provided by growers for growers - and confirmed the strategic direction and plan developed by the CGA Board. In particular the work performed by Mitchell Brooke was lauded - the Container Operation Forums established in Durban and Port Elizabeth have contributed to a good working relationship between all stakeholders in the ports, and has led to smoother container flows with minimal congestion in the 2014 season. For the 250 delegates who attended there was ample opportunity for discussion and debate - with some important informed decisions guiding the CGA Boards activities.

Another milestone in 2014/15 was the appointment of Dr. Konanani Liphadzi as CEO of Fruit South Africa (the umbrella organization for the citrus, subtropical, table grape and deciduous fruit sectors). Konanani has brought some momentum to FSA activities and has shown an ability to "hit the ground running". Fruit SA has partnered with DAFF in forming the Fruit Industry Value Chain Round Table (FIVCRT) which is a high level work group to address relevant fruit industry issues. Work streams include Trade; Research and Development; Resources; Labour and Transformation.



Back Row: Mike Woodburn; Shane Dellis; Cornel van der Merwe; Bertus Dillman; Charles Rossouw;
Antoine Rouillard; Fanie Meyer; Israel Nemaorani; Flip Smit

Front Row: Hannes Hobbs; Per Noddeboe; George Hall; Graham Piner; Pieter Nortje (Chairman); Ben Vorster; Paul Bristow; Phillip Dempsey

Absent: Jock Danckwerts, Piet Smit, Jannie Spangenberg

ADMINISTRATION



GLORIA WEARE
EXECUTIVE ASSISTANT
TO CEO

GOVERNANCE

The Citrus Growers Association of Southern Africa (CGA), is run by a Board of Directors who are selected by the constituents of the 17 citrus growing regions on a bi-annual basis. These regions include Swaziland and Zimbabwe. There are also two duly elected directors representing emerging growers in the northern and southern regions. A Director, who is also Chairman of the Audit Committee, keeps a close eye on the financial and legal responsibilities of the CGA.



An Observer from the National Agricultural Marketing Council (NAMC) attends all Board Meetings and AGM's.

Grateful thanks to the directors who do not receive any financial benefit from giving of their time and experience.

CGA BOARD OF DIRECTORS

Changes to the Board during the 2014/15 year:

Resigned: Shane Dellis (Nkwalini)
Graham Piner (Nelspruit)

Appointed: Tim Wafer (Nkwalini)
Andrew Muller (Nelspruit)

Board meetings

28 May 2014 - Intercontinental Hotel, ORT, Jhb
Apologies: P Nortje, S Dellis, M Woodburn,
F Smit, P Dempsey

21 August 2014 (amd AGM) - Makaranga Lodge,
Kloof, KZN

Apologies: P Smit, J Danckwerts, J Spangenberg

12 March 2015 - The Hans Merensky Hotel,
Phalaborwa

Apologies: G Hall, C van der Merwe, H Hobbs

Executive Committee

Pieter Nortje - Chairman

Piet Smit - Vice Chairman

George Hall

Ben Vorster

Graham Piner - up to March 2015

Fanie Meyer - from March 2015

Executive Committee meetings

24 April 2014 - telecon

27 May 2014 - City Lodge, ORT

31 October 2014 - telecon

9 December 2014 - telecon

23 February 2015 - telecon

REPRESENTATION

The CGA has representation on various Boards and Committees

Citrus Research International (CRI):
Hoppe Nel, Piet Smit, Deon Joubert,
Fanie Meyer, Louis von Broembsen,
Mike Woodburn.

Citrus Marketing Forum: Peter Nicholson,
Gabrie van Eeden, Cornel van der Merwe.

XSIT: Piet Smit (Citrusdal)

River Bioscience (RB): George Hall,
Paul Marais

CGA Cultivar Company (CGA CC):
Barend Vorster, George Hall.

Citrus Improvement Scheme (CIP):
Jock Danckwerts, Paul Hardman

Citrus Academy Board: S Dellis,
P Dempsey, H Hobbs, G Piner.

Agri SA: Antoine Rouillard, Charles Rossouw

Agricultural Trade Forum (ATF):
Justin Chadwick

PPECB: Tini Engelbrecht, Luyanda Kutta

Fruit South Africa: Justin Chadwick

**Southern Hemisphere Association of Fresh
Fruit Exporters (SHAFFE):** Justin Chadwick

Audit Committee: Flip Smit, Antoine
Rouillard, Mike Woodburn

SPS/CLAM/CFSC: Vaughan Hattingh,
Paul Hardman (secundus)

**MRL/SHAFFE/FSF/IFPS/FSA
Harmonisation:** Paul Hardman

BI Steering Committee: Vaughan Hattingh,
Paul Hardman (secundus)

Market Access Committee (MA):

Elma Carstens

AgriHub: John Edmonds

CBS Disaster Management Committee:

Pieter Nortje, Charles Rossouw, Ben Vorster, Peter Nicholson, Cornel van der Merwe, Jock Danckwerts, Piet Smit, Deon Joubert (CGA)

FCM Disaster Management Committee:

Pieter Nortje, Fanie Meyer, Piet Smit, Jock Danckwerts, Charles Rossouw. (Deon Joubert, Justin Chadwick and Vaughan Hattingh in attendance)

Citrus Growers Development Chamber:

Israel Nemaorani, Hannes Hobbs.

The CGA Directors have also been included in the various CGA staff portfolios

Representation Committee: Ben Vorster, Piet Smit, Israel Nemaorani, Hannes Hobbs

Market Access Committee: Graham Piner, Jannie Spangenberg, Charles Rossouw, Piet Smit

Logistics Committee: Shane Dellis, Per Noddeboe, Paul Bristow, Bertus Dillman

Consumer Assurance Committee: Fanie Meyer, Phillip Dempsey,

Finance Committee: Antoine Rouillard, Mike Woodburn

Information Committee: Shane Dellis, Phillip Dempsey, Mike Woodburn

Transformation Sub Committee:

Jannie Spangenberg, Flip Smit, Israel Nemaorani, Hannes Hobbs

CGA CITRUS SUMMIT

In March 2015 the CGA held its first CGA Citrus Summit. The idea of this was to gather growers together from all the regions to compare ideas and needs. It gave the CGA staff the opportunity to put forward their job descriptions and answer any questions from the growers. The Summit was held in Phalaborwa, so concentrated on growers in the North.

A comprehensive list of guest speakers addressed the 250 growers who attended: Konanani Liphadzi - Fruit SA; Carolina Dawson - CIRAD, France; Rocco Renaldi, CGA EU Representative - Brussels; Bruce McEvoy, CGA USA Representative; Mikhail Fateev, CGA Russian Representative.

Standard Bank were the official platinum sponsors, with FPT as gold sponsors. Granor Passi, PPECB and ARC were the bronze sponsors. CGA gives sincere thanks for this sponsorship.

2016 will see the return of the annual road shows around the country, with the next CGA Citrus Summit taking place in 2017 in the South.

FROM THE DESK OF THE CEO

The CEO's weekly newsletter is sent to all growers and stakeholders in the citrus industry. This one pager covers items of interest and importance to the growers, dates of upcoming meetings, and a weekly update of weekly shipped and packed data. Anyone wishing to be added to the mailing list can email info@cga.co.za. From the Desk also appears on the CGA website.

OTHER REPORTS

Global Citrus Scans, logistics reports and transformation newsletters are also sent out on

a regular basis by CGA staff through the CGA Comms Tool, and appear on the relevant section of the website. Food safety and consumer assurance articles are distributed in the regular Cutting Edge publication sent out by CRI.

CGA WEBSITE

The CGA website www.cga.co.za comprises two separate sections - one for the general public and the other password protected section for growers and stakeholders to access information deemed to be of a sensitive or confidential nature. All growers of export citrus who are registered with DAFF (Department of Agriculture) and possess a PUC (Production Unit Code) qualify for access to the member section and can apply for a username and password by contacting gloria@cga.co.za. Members of FPEF (The Fresh Produce Exporters Forum) also have access to this section, as well as stakeholders who pay an annual membership of R3000 to join the CMF (Citrus Marketing Forum). Contact gloria@cga.co.za for more information or to register.

SA FRUIT JOURNAL

The SA Fruit Journal is a magazine owned by the various fruit industries - S A Table Grapes, S A Stone Fruit, S A Apple and Pear, Fresh Produce Exporters Forum, Fruit South Africa and Citrus Growers Association. Publications of this journal are distributed bi monthly to all members of these associations, free of charge.

Each staff member is responsible for submitting an article for each publication to keep growers informed on interesting and relevant matters within their particular portfolio. To advertise in this magazine, contact sales@safj.co.za.

VARIETY FOCUS GROUPS

The main functions of the variety focus groups are setting the initial season estimate for exports, monitoring the packed and shipped information provided by the service providers, appraising ruling market conditions and updating the export predictions during the course of the season. The information is then distributed at CMF meetings, in minutes of meetings, uploaded to the CGA website and in the CEO's weekly newsletter. The variety focus groups also have the responsibility of giving opinion on dispensation requests referred to them by DAFF.

The variety focus groups met regularly during the season 2014/15 season, with the CGA Information Manager convening the meetings and acting as secretariat.

The CGA is indebted to them for giving their time to serve their fellow growers.



The regional representatives of the variety focus groups for the 2015 season:

Region	Valencia	Navel	Lemon	Grapefruit	Soft Citrus
Boland			R. Allen		S. Bruwer
Western Cape	S. Engelbrecht	G. van Eeden**	R. Groenewald		G. vd Merwe
Patensie	T. Meyer	P. Dempsey	P. Dempsey		M. Odendaal
Sundays River	D. Joubert**	H. de Waal *	H. de Waal**	H.de Waal	C. Tibshreany
E. Cape Midlands		B. Mildenhall	D. de Villiers		J. Danckwerts*
Hartswater	D. Mathewson	D. Mathewson	D. Mathewson		
KZN Midlands			P. Button		
Pongola	A. Barnard		A. Barnard	A Rouillard	
Nkwalini	B. Snyman			M. Wafer	
Onderberg	C. vd Merwe			M. Neethling	
Nelspruit	A. Muller	G. Piner	G. Turner*		A.J. Esser
Swaziland	G. Brown			S.Geldenhuis	
Letsitele	B. Vorster	N. Gubitz	J. Nel	P. Smit**	A.Cooper
Hoedspruit	F. Meyer		G.Bezuidenhout	K. van Staden*	
Oranje Rivier	A.Spangenberg			J.Spangenberg	
Limpopo River	P. Nicholson*		P. Nicholson	D. Erasmus	
Senwes	M. vd Heever	H. Schoeman	P. Pullinger		I. Upton

** Chairman * Vice Chairman

The Citrus Development Chamber representatives on the variety focus groups:

Valencia	Navel	Lemon	Grapefruit	Soft Citrus
S. Qomondi	E. Nohamba	P. Shiba	M. Makhanya	L. Mgadle

During 2014/15 the following meetings were held by the focus groups:

Month	Grapefruit	Valencia	Navel	Lemon	Soft Citrus	Total
April	2				2	4
May	2		1	1	1	5
June	1	1	1	1	1	5
July	2	1	1	1	1	6
August		1	1	1	1	4
September		1				1
October					1	1
Total	7	4	4	4	7	26

CGA LEVY

The Citrus Growers Association invoices for and collects the statutory levy due on all citrus exported. This levy is used for research, market access, consumer assurance, information, logistics, transformation, market development and administration.

The current levy also includes certain enhanced services requested by the growers. These are additional funding for the Citrus Cold Chain forum, extension services, disease management, alliance partners, horticulture and improving regional capacity.

The CGA collected R56.2 million in levies for the 2014 season.

The statutory CGA levy for the remainder of the approved levy collection period is as follows:

2015 - 53 cents per 15kg carton

2016 - 56 cents per 15kg carton

AUDIT COMMITTEE

The members of the CGA Audit Committee for the 2014 / 2015 financial year were Flip Smit (Audit Committee Chairman), Antoine Rouillard (CGA Director Pongola) and Mike Woodburn (CGA Director South KZN).

The main functions of the Audit Committee is to oversee the risk, financial and internal control management of the CGA group and to ensure compliance with various corporate governance and company regulations and requirements.

The Audit Committee held two meetings during the financial year on the 23 July 2014 and the 24 February 2015.



ROBERT MILLER

FINANCIAL & BUSINESS
ADMINISTRATION MANAGER



LIANE ESCH

BOOKKEEPER



Some of the main risks to the CGA that were identified are as follows:

Risk: Effect of phytosanitary constraints on export volumes and associated levy income

Response

- **Citrus Black spot (CBS)** - Disaster management committee in place. Special Envoy is engaged with various role players on this matter. Government is being engaged. New export markets are being developed.
- **False Coddling Moth (FCM)** - FCM management committee is in place to assess, monitor and manage this risk. Discussions have been initiated with government.
- **Bactrocera Dorsalis** - Is established in some regions in South Africa. Movement of fruit out of these areas is controlled. CGA and CRI steering committee action plan is in place and being managed by the committee. Other fruit groups have provided contributions towards the management of this risk.

Risk: Logistical - Constraints on export volumes and levy income.

Response

- Logistics Manager is employed to address this risk. Currently working on decreasing supply chain costs, monitoring and advising on reducing congestion and improving efficiency at ports. Shipping cost escalations and national roads legislation is being addressed.

Risk: Socio-political - Constraints on export volumes and associated levy income

Response

- CGA Grower Development company to be formed in 2015 to focus on transformation and develop relationships with DAFF and other government departments. Fruit Industry Value Chain Round Table - a partnership between the fruit industry and government- has been formed.

Risk: Buy in from producers - Constraints this may have on future levy approval and income

Response

- CGA to hold a Citrus Summit every two years and conduct roadshows to each citrus producing area in alternate years. Regular communication with growers through a weekly newsletter and various other Publications. Growers are also informed through a communication database.

Risk: Mismanagement of company expenditure and corruption - Company assets and funds at risk.

Response

- Two person release system in place on banking system. All payments are checked and authorised by Finance Manager and CEO. Payments are also checked that they are in line with the approved budget. Regular financial reporting is provided to the Audit Committee, CGA Board and Executive. Annual audit is conducted.

Risk: IT Systems failure - Industry data at risk and company unable to operate.

Response

- Information Manager is employed to address this risk. Regular backup of data takes place. Offsite backup and storage of company data is in place and constantly monitored.



REEFER CONTAINER OPERATIONS FORUMS

As a result of congestion and ongoing operational problems relating to citrus reefer containers, which predominantly occurred in Durban, the CGA in association with Transnet Port Terminals initiated the Durban Reefer Container Operations Forum (DRCOF) and the Eastern Cape Reefer Container Operations Forum (ERCOF). The objective of these forums is for the various stakeholders involved in the operations of packing and transporting citrus reefer containers to have a platform in which to debate operational challenges. This initiative has been a great success in that the operational challenges are brought to the fore and addressed through open debate or through facilitation. The forums are convened and administered by the CGA.

PORT CARGO DUES TARIFFS

Since 2010, the CGA has placed submissions with the Ports Regulator regarding the level of disparity in the cargo dues tariff for full export containers. Between the FY2010/11 to FY2015/16 the cargo dues tariff for full export containers has reduced in real terms by 33%. The tariff is 60% below the last 5 years tariff applications made by Transnet National Port Authority (TNPA) and is 48% below the CPI tariff projector.

CITRUS REEFER TRAINS FROM TZANEEN TO DURBAN

During the 2014 citrus season there were two reefer train sets in operation which ran between Tzaneen and Durban (in some cases the train

was delivered into Cape Town). Previously the trains were offloaded at Kingsrest with the containers being routed into the container terminal by road trucks. In 2014 the trains were delivered directly into Pier 1 Container Terminal whereby the reefer containers were offloaded and placed directly into stack. The empty reefer containers were then reloaded back onto the train destined for Tzaneen. On average the train turned around in Durban in less than 4 hours from arrival. This development should bode well for future reefer train operations where 4 trains are planned to be commissioned to transport citrus between Tzaneen and Durban or Cape Town.

DURBAN PORT CONGESTION

The Durban port had been plagued with congestion and bottlenecks; especially with reference to trucks transporting citrus to the various cold stores. A vast amount of consultation and facilitation had taken place with cold stores to highlight the plight of transporters and the effects that delays have on the industry. During the 2014 citrus season there was a great improvement which largely addressed the issue. Another development which assisted to create better effectiveness of cold store operations was that a number of cold stores had made significant adjustments to infrastructure. In 2014 there were a further 2 cold stores that had commenced receiving citrus which assisted to provide additional cold storage capacity in Durban. A further cold store has been completed in Durban which will be available to receive citrus in 2015, these are important developments as there has been insufficient investment in cold storage infrastructure in Durban.



MITCHELL BROOKE
LOGISTICS DEVELOPMENT
MANAGER





JOHN EDMONDS

INFORMATION MANAGER

The Citrus Growers' Association (CGA) and Fresh Produce Exporters' Forum (FPEF) jointly fund the citrus information supplied in terms of an agreement with the Perishable Products Export Control Board (PPECB). This information is made available to all members of the Citrus marketing Forum (CMF).

TREE CENSUS

The collection of tree census data underwent a significant change in 2014. With the co-operation of the Department of Agriculture, Forestry and Fisheries (DAFF), the extra information required to compile a tree census was collected with the electronic export phyto sanitary registration process in October 2014. Thanks must go to Paul Hardman (CGA) and DAFF for making the electronic registration process a reality and allowing the scope to simultaneously update the census. Additional information was also provided by individual

growers. The results of the tree census are used for information and forecasting and are included in the Citrus Statistics booklet.

CITRUS STATISTICS BOOKLET

The annual Citrus Statistics booklet provides high level information on exports, crop distribution and growth trends of the different citrus commodities. The 2014 citrus statistics booklet was published and sent to all grower members of the CGA. It was compiled using the export-related data supplied by PPECB; local market, industrial data and trends in revenue supplied by DAFF as well as the data collected from the electronic registration process for the tree census.

VARIETY FOCUS GROUPS

The regional Variety focus representatives elected during the CGA road shows held in March 2014 set the export crop estimate and give feedback to the Citrus Marketing Forum (CMF). Teleconferences were subsequently held during the season to update the crop projection,

discuss markets and give DAFF guidance on dispensation requests when called on to do so. The variety focus groups had 26 teleconferences in 2014/15. Their updated crop projections were communicated to the industry via the CEO's weekly newsletter and minutes published on the CGA web site. This regular update keeps interested parties up to date on the development of the season and gives the earliest signal as to what may lie ahead. The table below shows the original 2014 estimates, the actual volumes achieved, and the estimates for the 2015 season. All figures are in 15 kilogram equivalents. The variety focus groups aim to estimate within 10% of final volumes inspected and passed for export by PPECB inspectors. This was achieved overall with the estimate proving to be 98% accurate. All the individual variety focus groups were within the ten percent target.

Another role of the variety focus groups is to review the industry quality standards with other industry role players and make recommendations to guide DAFF in making any amendments to the existing standard. No substantive issues

Table showing estimates in 15kg equivalent cartons

Type	2014 Estimate (CGA)	2014 Actual	Difference (Actual vs. Estimate)	2015 Estimate
Valencia	49 530 000	50 620 393	2%	49 085 358
Navels	25 813 680	25 996 170	1%	25 136 576
Grapefruit	16 755 244	15 463 496	-8%	15 253 533
Lemons	12 134 692	13 222 986	9%	13 578 000
Soft citrus	9 069 354	9 957 944	10%	10 004 361
Total	113 302 970	115 260 989	2%	113 057 828

were raised in 2014 and thus a meeting was not warranted. PPECB and DAFF representatives attended the United Nations Economic Commission for Europe (UNECE) and Organization for Economic Co-operation and Development (OECD) meetings to represent the interests of the South African citrus industry with regard to export standards. The CGA would like to thank the PPECB and DAFF for their contributions and Dr. Graham Barry for his role as an advisor to the South African representation.

PACKED FIGURES

Information on volumes packed was supplied by PPECB on a weekly basis. These figures were placed on the CGA website (www.cga.co.za). The packed figures reflected the actual volumes packed to date, previous years packed figures and the estimated packed figures for the current season. These figures were presented on a weekly and cumulative basis.

SHIPPED FIGURES

Information on volumes shipped was also supplied by PPECB in 2014 and posted on the website on a weekly basis. These figures show per variety, per week what had been shipped

into the different markets compared to the previous year. The passing of an application by Agrihub to the NAMC to make mandatory the provision of specified electronic data flows from growers, exporters, cold stores and terminals to Agrihub came too late to make a contribution to the 2014 citrus season. However, with the cooperation of the growers, exporters, cold stores, terminals and service providers; more accurate, detailed and up-to-date shipping information is available in 2015.

CITRUS MARKETING FORUM (CMF)

The CMF is a joint forum between growers, export agents and other role-players. It provides a platform for the sharing of information, initiating research and investigations, and making recommendations on a wide range of industry issues. The CGA and FPEF jointly employ the services of the PPECB to provide shipping and inspection information which is supplied weekly to exporters and growers via e-mail and publication on the members' section of the CGA web site. In the 2014/15 year the CMF met twice; on 30 October 2014 and 26 March 2015. The input to the CMF from the variety focus groups with respect to estimates, projections and growers' feedback was facilitated by the CGA.

INTERNATIONAL INFORMATION EXCHANGE

Mediterranean Citrus Industry: The CLAM organization represents interests of citrus industries in the Mediterranean region, the largest citrus trading block in the world, representing about sixty-six percent of the world trade in fresh citrus fruit. CLAM supplies CGA with information pertaining to production and exports from their members. CGA reciprocates by sending similar information to CLAM.

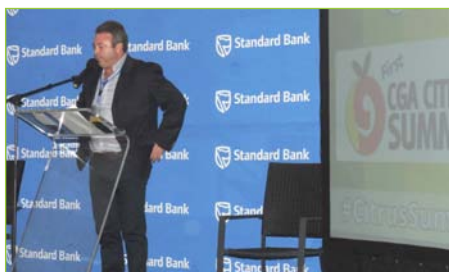
Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE): The major southern hemisphere fresh citrus exporting countries participate in a joint initiative whereby members supplied information of shipped by volume and destination to the SHAFFE secretariat that collated and supplied this information to the participating SHAFFE members. The weekly information was published on the CGA website.

GLOBAL CITRUS TELECONS

The CGA participated in Global Citrus Teleconferences during the course of the year. The teleconferences are convened by Freshfel (European Fresh Produce Association) and SHAFFE and typically includes representatives from Spain, Italy, Israel, Turkey, USA, Morocco, Greece, Cyprus, Australia, Argentina, Uruguay and South Africa. The minutes were published on the CGA website. CGA was also represented at a Freshfel meeting on 5 February 2015 during the Fruitlogistica in Berlin where the emphasis was on the transition from the northern Hemisphere citrus season to the southern Hemisphere export season.



CGA CITRUS SUMMIT



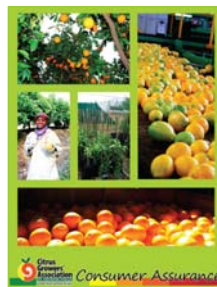
The first ever CGA Citrus Summit was held in Phalaborwa, 11-12 March 2015.

This replaced the annual roadshows which are usually held around the country at the beginning of the citrus season. We received very positive feedback, with the presentations scoring between 8 and 10 for interest, quality, presenter and relevance. The CGA Board announced that the next Summit will be held in 2017 in the south of the country.

Specific issues tackled by industry are the continuing threat of EU market disruption, expected increases in lemon and soft citrus production, land reform, biosecurity and the weakening of the Euro against the Dollar.

The most valuable part of the Summit was that growers from all regions could share their thoughts, concerns and solutions.

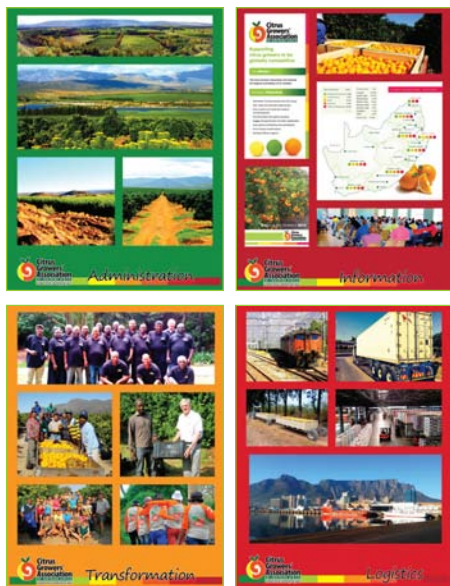
In addition it was an opportunity to recognize those who have built the Citrus Growers' Association and played a significant role in the ongoing competitiveness of the industry through the awarding of Citrus Legends awards.



The staff of the CGA and associated companies were asked to pick out three individuals who they thought had given the greatest contribution to the citrus industry. The results were unanimous and the Awards were presented at the Gala Dinner at the Citrus Summit :



GA CITRUS SUMMIT



**PETER
NICHOLSON**

The first Citrus Legend was at the birth of the Southern African Citrus Growers Association at the inaugural meeting on 19th November 1997, where he was elected Vice Chairman. He continued in this position through to 1999 at which time he was elected Chairman, where he remained for the next three years. In total he served on the CGA Board for nine years. Part of being one of the founder fathers of CGA, he ensured the financial well being of the Association. At a time when the industry was severely divided following deregulation, this Legend toured the length and breadth of South Africa addressing growers in every region on the need to establish a secure funding stream for CGA research activities. He persuaded and convinced all growers at the meetings to commit to the process of approaching government for a statutory levy. This was eventually granted in 2002.



HOPPIE NEL

The second Citrus Legend was also present at the inaugural meeting of the SACGA. He was also on the Board of the CRI from their inaugural meeting, and is still serving on their Board. From the CGA's first meeting he served on the Board for 17 consecutive years,

CITRUS LEGENDS 2015

with two as vice-Chairman and four as Chairman. Although not a grower, he was very involved in producing, packing and distribution of citrus and remains a fountain of knowledge for the industry. Unlike his fellow Legends he is not as outspoken, tending to quietly make his point, allowing extensive debate and the formulation of a consensus position. His greatest contribution to the industry was his involvement in research activities.



**JOCK
DANCKWERTS**

This Citrus Legend was not at the inaugural CGA meeting, only joining the Board in 2003, but he is still on the Board, 12 years later. He was however on the inaugural CRI Board. Without doubt this Legend's contribution is through his role of moulding the CRI into the world-renowned citrus research institution it still is. He served on the CRI Board for ten years, being Chairman for all those years. The process of transferring the Outspan Citrus Centre to the CGA was a difficult transition with other research institutions vying to take over the job while many alternatives to own the research capacity were being proposed. Fortunately this Legend stood firm on many principles and the basics of good industry research. This Legend is well known for his verbosity and humour and is passionate about the citrus industry and he has always shown an ability to accommodate alternative viewpoints and solutions.

ASIA

During the season under review there has been considerable attention given to diversifying the worldwide distribution of southern African citrus - reducing reliance on the traditional markets and increasing opportunities in South East Asia. The 16% of export volumes sent to the Asian region in 2014 increased to 20% of export volumes in 2015. This trend will continue as more attention is given to this region. Some specific markets in this region are highlighted below;

CHINA

One measure of whether market access has been successful is if there has been a growth in volumes. The growth in volumes directly to China is depicted below. From 2013 to 2014 volumes grew by 37%. In addition the variety of citrus exported to China has changed with more navels and grapefruit exported. (Figure 1)

To test if the growth in China was due to diversion from citrus that used to go to Hong Kong the combined volumes (Hong Kong and China) are depicted in Figure 2.

So there was some diversion in 2011 to 2013; but 2014 saw growth in both (a combined 63% growth). More lemons and soft citrus went through Hong Kong. The routing of lemons and soft citrus through Hong Kong is largely due to the cold treatment requirement of direct shipments. South Africa held talks with China AQSIQ (Plant Health) in November 2014 on alternatives to cold sterilisation; particularly for lemon shipments. Joint research projects are

being developed through a Memorandum of Understanding between CRI South Africa and CRI Peoples Republic of China. A “think tank” was developed by CGA to ensure that all activities to finding alternatives to cold sterilisation are covered.

Awareness of South African fruit raised at Asia Fruit Logistica (Hong Kong September 2014) and China Fruit and Veg Show (Beijing November 2014). CGA was involved in both events.

There were no delays in the start up of the China program as the list of registered production units was approved timeously. AQSIQ was asked to assist with early approval in 2015.

INDIA

Volumes to India are depicted in the graph below. India is performing way below its potential - although volumes to India did increase by 24% since 2013; predominantly Valencia but some navel. (Figure 3)

During visits to India in 2014, Indian traders and others maintain that South Africa should not concentrate on the tariff - other countries have the tariff and yet they are successful. In particular Washington apples were used as an example; despite the distance to market and high tariffs this is the biggest imported fruit item.

There is a need to raise awareness in India - this could be through cost effective campaigns in the municipal markets (where 90% plus fruit is sold).

There was a concern during the season regarding post-harvest labelling. This was sorted out - but needs to be completely settled before 2015.

Figure 1

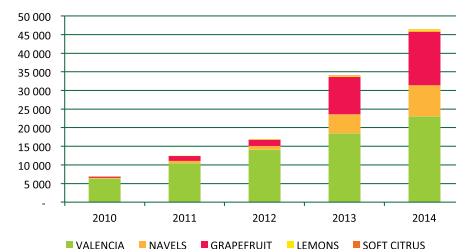


Figure 2

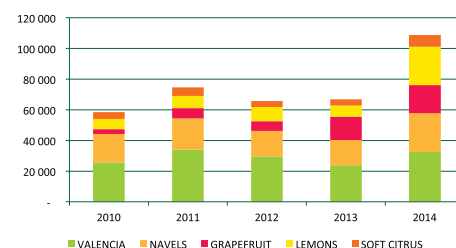


Figure 3

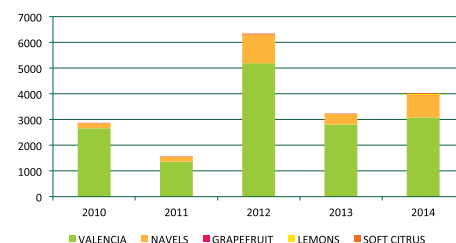
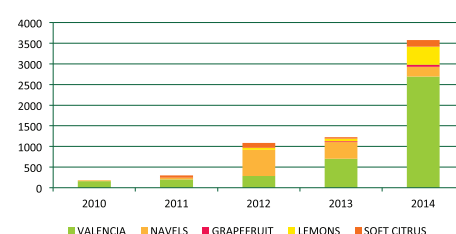


Figure 4



INDONESIA

Volumes to Indonesia doubled in 2014 - with a wider range of citrus varieties imported. Lemons were particularly sought after. *(Figure 4)*

During 2014 Indonesia issued a number of decrees to dissuade imports - only countries with Mutual Country Recognition (MCR) were exempt. During a visit in September it was confirmed that all information for South Africa's MCR application had been received. Once MCR is granted access would be allowed through Jakarta port, and various testing and certification would no longer be required.

Meetings with importers, wholesalers and retailers indicated that awareness of South African fruit is low.

SOUTH KOREA

Volumes to South Korea more than doubled in 2014. Of particular significance is the growth in the grapefruit category. *(Figure 5)*

The biggest issue with South Korea was the interpretation of the protocol; which required insect proof netting for transit from Packhouse to port. Many exporters used plastic wrapping to effect this requirement - with negative consequences for fruit quality. With assistance from the inspectors, RSA Embassy in Seoul, CRI and CGA more fruit friendly requirements have been agreed.

VIETNAM

Export volumes to Vietnam more than doubled in 2014. There is a good mix of all citrus types to Vietnam. *(Figure 6)*

This fruit entered Vietnam through special permit, as official access is not yet secure. South Africa lost access when Vietnam authorities failed to recognise the word "citrus". South Africa has had to apply for oranges, grapefruit, soft citrus and lemons separately. The orange information has been supplied in full.

There is a need for awareness of South African fruit - little recognition amongst importers, retailers and wholesalers.

PHILIPPINES

Export volumes to Philippines almost halved in 2014 due to problems at entry. South Africa does not have official access to Philippines which made it difficult to assist those with containers stuck in Manila. *(Figure 7)*

With incredible support from the Ambassador and her staff in Manila the Philippines Plant Health agreed on a verification visit. The Philippine authorities visited South Africa in August to verify the systems.

UNITED STATES OF AMERICA

Export volumes increased by 11% in 2014; largely due to an increase in soft citrus exports. This was due, in part, to a more favorable cold steri treatment. *(Figure 8)*

Bruce McEvoy replaced Ron Campbell as CGA representative in USA. This involved concluding a contract with Seald Sweet (primary employees of Bruce). Importers agreed to part fund the position. Bruce visited RSA in March and met DTI and DAFF (Plant Health and International Trade).

In March DAFF and USDA APHIS held a bilateral. This set the scene for great progress in 2014.

Figure 5

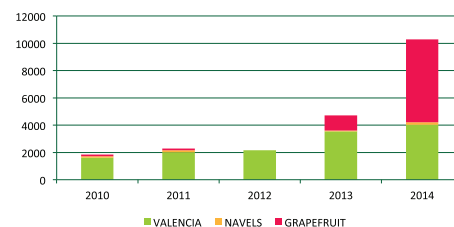


Figure 6

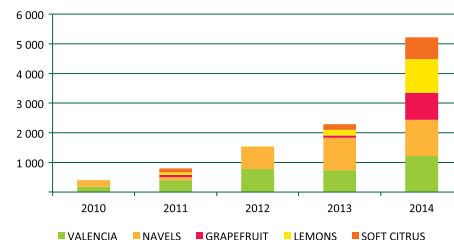


Figure 7

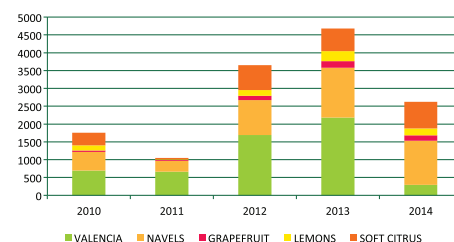
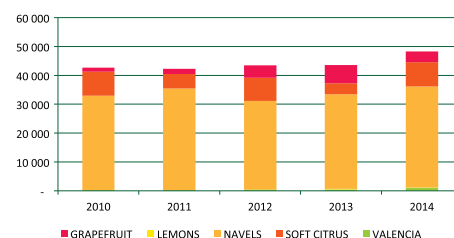


Figure 8



A pilot for 22 day cold steri was approved. This pilot was successful and should result in a permanent change back to 22 days. Once included in USDA Treatment Manual other countries will be approached to review their protocol - Thailand, China and South Korea.

Later in the year a pilot project was started to export fruit through the port of Houston. There were challenges which highlighted the sensibility of having a pilot. Some communication problems with DAFF did put strain on phyto sign off. All concluded with little delay.

In mid-season there was an issue with actionable pests in pallets. Great cooperation from DAFF, WCCPF, CGA, CRI and others and flexibility from USDA APHIS resulted in a reasonable outcome. Careful planning is needed for 2015.

USDA APHIS started a process for wider access for South Africa (requested by industry a few years back). The draft rules were considered; some clarity was sought; comments were prepared and lodged comments were considered.

Renewal of the African Growth and Opportunity Act received a lot of attention in 2014. The CGA attended many meetings with Department Trade and Industry in South Africa, while Bruce McEvoy formed part of the Embassy task team in Washington.

THE EU

By Deon Joubert - Special Envoy for the EU

After the 2013 citrus marketing campaign in the EU resulted in 35 CBS interceptions, SA faced a serious threat of market closure. So with imminent emergency EU legislative pending to

address this, the SA citrus Industry decided to act comprehensively.

The first and most important initial goal was to influence the EU lawmakers to accept a SA induced solution as the base for the pending legislation. This was highly successful and Implementing Decision 422/2014/EU relied heavily on the 2 SA scientific papers submitted by the CGA, which argued strengthening the SA RMS with measures based on analysis of CBS interception history, as well as drawing on known science to test for CBS presence with an Ethapon procedure. Both these were academically sound but provided SA with a manageable process.

The 2014 season was complex as political interference was consistent. Nevertheless SA completed most of the season unhindered through active dialogue with DG Sanco and won 2 major concessions. The first was an allowance by the EU to discard the first 9 SA CBS interceptions [exported prior to the EU legislation implementation date] and the second was allowing a full SA import screening inspection on EU soil after SA voluntary suspended exports on 8 September for 2014, something unheard of in regulatory circles.

Both these rulings allowed SA to finish 2014 with 28 interceptions [7 down from 2013] regardless of the heightened EU inspection focus on SA citrus and some added malice plus interference [as brought out by “non CBS symptomatic” fruit being PCR tested in Spain and the proof for “viable CBS fungus” being totally discarded, although repeatedly acknowledged as a requirement by DG Sanco throughout 2014].

The voluntary suspension of SA exports was also the result of continuous dialogue with DG Sanco and being able to assess the point where the SA citrus import position could be re-examined. All this resulted in SA running out the 2014 season without exceeding the 2013 number of CBS interceptions and avoiding any “symbolic” decision or ban, which could have hampered the 2015 EU citrus campaign. In doing so SA is facing 2015 in the EU without any additional measures and the goal of retaining the EU market, intact.



Research is an investment into the future, requiring long term foresight and ongoing commitment for success. Applied research organisations have to maintain direction and focus in the face of immediate challenges. CRI has stood strong in doing this despite the particularly challenging immediate problem posed by CBS regulations in the EU in recent years. Research conducted over many years prior to recent intensification of this CBS problem in the EU has provided a solid foundation for challenging the way in which the EU's CBS regulations have been misaligned with their intended purpose. In accordance with international agreements, such regulations should be based on science and be directed at protection of plant health and not be misused as trade protectionist measures. The quality of

the southern Africa CBS research output was endorsed when an extensive international panel of scientists supported the industry's contention that CBS does not pose a real plant health risk to the EU. Such scientific evidence provides the basis for South Africa and other affected countries to challenge the unjustified misalignment of such regulations and is an essential prerequisite for any long term, sustainable solution. CRI has remained focussed on its long term strategy of directing research at generating relevant output that serves the enhancement of the southern African citrus industry's long term global competitiveness. The composition of the research portfolio and allocation of funding to research focus areas reflects this long term focus on issues of key strategic importance.



VAUGHAN HATTINGH

CEO, CITRUS RESEARCH
INTERNATIONAL

BOARD OF DIRECTORS OF CRI AS AT 31 MARCH 2014

Name	Nominated by	Position
Dr DJ Nel	Growers	Chairman and Executive Committee
Mr P J Smit	Growers	Vice Chairman, Executive Committee & Chairman: Horticulture Research Committee
Mr D Joubert	Growers	Executive Committee & Chairman: Cultivar Evaluation Research Committee
Mr SR Meyer	Growers	Chairman: CIS & Chairman: IPM Research Committee
Mr L von Broembsen	Growers	
Mr MR Woodburn	Growers	
Mr C Kellerman	SASCON	
Prof A Ströh	Pretoria University	Chairman: Disease Management Research Committee
Prof KI Theron	Stellenbosch University	
Dr VN Pehane	ARC	
Mr SB Turner	FPEF	
Prof MP Hill	Rhodes University	Co-opted



GOVERNANCE AND FUNDING

The Board of Directors of CRI remained unchanged from the previous year, providing stability and retention of focus on long term goals. The Board has overseen retention of proven procedures for identifying research priorities and aligning resource allocation to appropriate projects of key importance for the industry.

The funding of CRI's operations has continued to come primarily from the statutory levy on export citrus.

The past year represents a milestone for CRI in that it has been able to enhance the value of the growers' research funding by securing significant complimentary research funding from Government, in particular the Department of Science and Technology. CRI was successful in securing such DST funding for research in that it was awarded a three year grant under the title Research for Citrus Exports (RCE) as part of the DST's Sector Innovation Fund (SIF).

Additionally the Post Harvest Innovation (PHI) programme, administered by the FPEF was also allocated funds from DST's SIF. CRI as the citrus industry research body accordingly gained access to co-funding for citrus research projects through this fund. Such complimentary funding has enabled CRI to broaden its multi-institutional research partnership model and expand the pool of research expertise working on research projects that are focussed on citrus industry needs and opportunities.

The value of this opportunity was further enhanced by the CGA allocating additional funds to CRI for capacity required to address key market access challenges and the effective management of the complimentary funding.

The CGA also allocated an additional tranche of funding to further enhance the CBS research portfolio. CRI commends the CGA for its ongoing visionary commitment to supporting the funding of research that is directed at addressing critical industry needs and opportunities.

MARKET ACCESS

The gaining, retaining and optimising of access to export markets remains the top priority directing CRI's research and technical support portfolio. A more comprehensive report on CRI's contributions can be found in the CRI Group Annual Research Report.

The following are a few major focus areas.

Despite ongoing pressure from some EU Member States to greatly intensify EU CBS regulations, the regulatory amendments implemented in 2014 were ameliorated such that it remained possible to keep supplying the market. This was achieved through CRI providing a great deal of critically important input to compliment the additional capacity that the CGA deployed to focus on the EU. Whereas technical market access issues are usually of a long term nature, crises occasionally arise that require immediate intervention.

Problems were encountered with wooden pallet bases in the USA. CRI engaged appropriate specialist expertise that was directed at definitively determining the cause of the problem and providing direction for solving it. The potential for a far greater industry problem was averted through rapid intervention to support affected growers and government regulators.

The success of the SIT technology in providing area wide suppression of FCM populations

opened the door to successful export of citrus to the USA under the reduced duration cold treatment protocol in 2014.

A great deal of technical input was made throughout the year towards opening new markets and enhancing access to many export markets including the following: EU, USA, Japan, South Korea, China, Philippines and Vietnam.

RESEARCH PORTFOLIOS

The details of progress made with research in the disciplines of Entomology, Plant Pathology and Horticulture can be found in the CRI Group Annual Research Report. The development of emerging phytosanitary regulatory challenges has been foreseen for many years and preparatory research conducted in anticipation. This continued in the past year and will be greatly enhanced for the next three years by the additional RCE funding allocation from the DST.

The Disease Management Research portfolio remained heavily focussed on CBS. A CBS industry expert workshop was held to conduct a review of the CBS research needs and opportunities, resulting in recommendations for a greatly enhanced portfolio of CBS research. The phase-in of this enhanced research portfolio commenced in 2014 and will be continued and expanded in forthcoming years until the CBS market access threat is resolved in a sustainable manner. The CBS issue has given rise to considerable strengthening of the international collaborative research network engaged within the Disease Management Portfolio. There has been strong growth in the post-harvest research portfolio as CRI's research capacity in this area increasingly strengthens. The soilborne disease and graft transmissible disease programmes are both long term focus areas that continued to

receive attention in the interest of the long term implications they have on profitability of production and mitigation of biosecurity risk.

The IPM portfolio continued to apply a strong focus of attention on FCM and fruit flies. The FCM programme in particular has continued to grow strongly and has included multi-disciplinary, pre- and post-harvest research inputs. The ability to manage FCM infestation has accordingly improved dramatically compared with five or ten years in the past and considerable further progress is imminent. The ability to mitigate the phytosanitary risk posed by FCM continued to receive priority attention in anticipation of future expansion and intensification of phytosanitary regulations imposed by importing countries. CRI was instrumental in the development and implementation (in collaboration with DAFF and other fruit industries) of early detection and rapid response action plans for the fruit fly *Bactrocera dorsalis*. Likewise management and risk mitigation treatments were developed in anticipation of B.

dorsalis incursion into southern Africa. The combined effect of these actions was to delay the colonisation of the northern regions by several years (large parts of South Africa remain pest free) and minimise the impact of establishment in affected areas. The IPM Portfolio has continued to greatly expand the extent of multi-institutional research collaboration both in South Africa and internationally.

The Horticulture Portfolio continued to grow in strength and has also experienced strong growth in the international network of research partnershiping. Research on optimising post-harvest handling of citrus fruit received much research attention. This is a field with particularly important consequences for the industry's future competitiveness given an ever intensifying need for phytosanitary risk mitigation treatments. Research on optimising efficiency of production practices continued to develop in light of the importance in enhancing profitability of production. The cultivar evaluation project benefited from an optimisation review during the year which has supported strong growth in the programme.

CITRUS IMPROVEMENT SCHEME

The CIS experienced a phase of relative stability and growth. The NAMC convened a workshop between interested parties to seek consensus with the way forward to enhance the effectiveness of the CIS through transformation into a statutory scheme. Grower representatives affirmed strong support for a stronger scheme. The ability of the scheme to supply demand has in recent years been challenged by massive fluctuations in

demand for budwood of certain cultivars, in some cases with very little forewarning. This has become increasingly challenging in recent years with the growth in numbers of new cultivars and the shift to private ownership of Plant Breeders Rights. Nonetheless, the recent investment in enhanced CIS infrastructure and management focus resulted in strong growth in the Citrus Foundation Block (CFB)'s ability to improve supply of budwood demand.

EXTENSION

The value of the enhanced capacity that was supported by funding from the CGA levy in the previous year was strongly evident. The CRI Post-harvest Technical Forum (CRI PTF) continued to play an important role in facilitating Packaging Working Group activities that support the development of improved packaging material and the provision of a quality assurance system. The regional technical workshop model for industry technology transfer continued to grow in popularity, with a high level of attendance by growers. The pre-packing round of Packhouse Workshops had approximately 900 attendees. The two-yearly CRI Research Symposium was again a great success, with approximately 500 delegates attending. The Extension division again provided ongoing support to market access by supporting industry visits by officials from trading partner countries and the implementation of the CBS Risk Management System. Extension also continued to play a key role in identifying major biosecurity threats facing the southern African citrus industry. It is heartening that the CGA had the vision to allocate additional funds to support the Biosecurity Management Plan developed by CRI for commencement of implementation in 2015.





LUKHANYO NKOMBISA
TRANSFORMATION MANAGER

CITRUS GROWERS' DEVELOPMENT CHAMBER

The Citrus Growers' Development Chamber has made a great deal of progress with CGA seeing the maturing of the structure in respect of issues discussed and resolutions taken. After a situational analysis exercise was completed, identifying the challenges that the growers on the ground are faced with in their operations, a resolution was taken that there was a great need for a well-structured development company to oversee all transformation initiatives.

Following on from a number of roadshows to engage all the growers in the regions, as well as discussions with the Development Chamber Committee and the CGA Board of Directors, it was agreed that a Development Company be formed. This initiative was welcomed by the growers. The registration of the development company is currently underway.

The vision of the Development Company: To support the establishment and growth of sustainable and profitable black citrus growers with market linkages to ensure food security, jobs and wealth creation.

With the structure that will focus on the important areas that were identified as critical during the situational analyses, such as business management support, production and technical support and a financial arm that will focus on lobbying grants and loans for business enterprise development.

Leadership

It has been the practise for a number of years now for CGA to send a delegation of emerging farmers to the annual Berlin Fruit Logistica Trade Show. This year CGA did so once again and sent three delegates from the transformation portfolio. The delegates were the Chairperson of the Citrus Grower Development Chamber, Mzo Makhanya, a member representing EC growers from Kat River Valley, Zukile Mgdle, and the transformation manager, Lukhanyo Nkombisa.

Before the delegation departed a number of discussions took place to decide what it was that the delegation wished to achieve from the trip. It was strongly felt and agreed that the delegation should gain greater understanding of what importers want from SA exporters.

The delegation left SA on the 31st January 2015 travelling to Amsterdam before proceeding to Berlin. This gave the opportunity to visit machinery manufacturers to see some of the



latest technology being promoted. During the trip a number of meetings took place with importers of SA fruit.

It was felt that this gave the delegation excellent exposure to this very important aspect of the industry and provided the opportunity to understand the requirements and the standards that we need, as an exporting country, to achieve if we wish to export to European countries.

GOVERNMENT RELATIONS NATIONAL AND PROVINCIAL

DAFF and CGA Engagements

The CGA and Citrus Academy have had a number of meetings with the Department of Agriculture, Forestry and Fisheries (DAFF) Directorates of Marketing, Small Holder Support and Extension Service. The purpose of these meetings was to request DAFF to work with CGA in initiatives that require their intervention and support. The Directorate Marketing committed to support CGA and the Citrus Academy in the industry's initiative in respect of the Emerging Export Excellence Programme. They indicated that they would fund the initiative and a joint venture agreement was entered into. The programme has taken off well with the attendance of officials from DAFF who, it was agreed, would form part of implementation. A monitoring and evaluation committee was established to oversee the programme.

CGA Provincial Engagement and Planning

Each year the CGA transformation portfolio engages with provinces to plan activities for the ensuing financial year. The approach has been to focus on budgeted projects so that the Association and the respective departments can

work together to ensure that identified projects have the desired outcomes.

The two extension personnel from CRI who work with regions in providing extension support, have developed their extension plan as well as training required by the farmers in terms of production. In all the regions study groups and information days are planned, developed and implemented as required.

In terms of farmer support, the EC and WC are the two province who have managed to secure funding for our projects in these regions. EC have put aside an amount estimated at R17, 2 million in support of all our developing producers. There is also R9.2 million for the revitalising of the Ripplemead Packhouse in Peddie and R8 million for inputs for the producers in Amatole and Cacadu District.

The WC has established the Citrus CPAC and budgeted an amount estimated at R5 million for support of any transformation projects that can be tabled for support to the CPAC. The CGA transformation manager and the CGA Director for that region have seats on the CPAC.

In Limpopo, KZN and Mpumalanga the CGA has submitted business plans and projects to be supported but to date there has not been much happening.

Women in Agriculture

The CGA is always in support of the role of the women in the industry, and in the year under review we saw the industry being on the news and put very definitely on the map. Every year, DAFF hosts a competition calling on nominations for the Female Farmer of the Year. One of our successful projects in the Sundays River Valley, Luthando, is headed by Ivy Nokwanele who was

voted the overall winner of the Female Farmer of the Year award for 2014/15.



CGA SUMMIT AND CHAMBER MEETINGS

The CGA hosted its first CGA Citrus Summit in Phalaborwa in March. The Summit replaced the customary CGA road shows that usually take place at the beginning of each year. The Summit included the involvement of developing growers who made a significant input.

CGA staff delivered a number of presentations providing details of CGA initiatives that are focused on developing growers.

Prior to the Summit the Citrus Growers' Development Chamber held a full meeting. At the meeting a number of resolutions were taken, the most important of which was to support the establishment of the Citrus Growers' Association Development Company. It is proposed that the company will commence operating from the beginning of April 2015. The Summit supported the establishment of the CGA Development Company which is seen as being the best vehicle to make meaningful contributions to the further transformation of the industry.



JACOMIEN DE KLERK
GENERAL MANAGER



CITRUS ACADEMY BOARD OF DIRECTORS

Representation	Name	Date of Appointment	Date of Resignation
CGA	Shane Dellis (chairperson)	2009/04/01	2015/03/12
CGA - Emergent grower representative	Hannes Hobbs (vice-chairperson)	2012/11/20	
CGA	Graham Piner	2014/01/28	
CGA	Phillip Dempsey	2012/11/20	
CGA	Cornel van der Merwe	2015/03/12	
Donors (Citrus Industry Trust)	Arend Venter	2011/11/15	2014/08/21
Service providers	Joy van Biljon	2009/01/26	
Additional seat	Vacant		

The Chief Executive Officer of the CGA, the company secretary and a representative of the CGA Audit Committee are invited to attend Citrus Academy board meetings as observers.

The following board meetings were held during the year under review:

2014/08/20, Apologies: Joy van Biljon

2015/03/26, Apologies: Cornel van der Merwe

The seventh annual general meeting of the Citrus Academy was held at Makaranga Garden Lodge, Kloof, Durban on Thursday, 21 August 2014.

FINANCIAL RESULTS

Funding received from the CGA, as approved by the CGA board of directors, is used for overheads, salaries, and funding of on-going projects. Additional funding is secured and appropriated for specific projects.

For the 2014/2015 financial year, the Citrus Academy reported a shortfall of R258,133 in comparison with a surplus of R471,419 for the previous financial year.

CA BURSARY FUND

The Citrus Academy Bursary Fund maintained its high level of performance, in terms of student numbers, bursary value and overall success. The 2015 academic year saw further growth in the number of postgraduate bursaries awarded, with an increasing number of current Bursary Fund beneficiaries continuing with their studies after the completion of undergraduate studies. The following allocations were made in the period under review:

Description	2015	2014
Total value of bursaries	R2,119,049	R1,783,278
Number of bursaries	69	65
Ave. value per bursary	R30,711	R27,435

Through the Black Economic Empowerment (BEE) section of the Bursary Fund, the Citrus Academy continues to provide direct support to emergent citrus growers. As can be seen from the figures in the table below, there has been a pleasing increase in the number of bursaries awarded in this category.

Description	2015	2014
Total value of BEEBS bursaries	R394,184	R205,280
Number of bursaries	24	16
Average value per bursary	R15,779	R10,402

At the end of 2014, thirty-one Citrus Academy Bursary Fund students successfully finished the qualification they had been studying towards. Eight of those students decided to continue their studies toward further qualifications with further assistance from the Bursary Fund.

The Citrus Industry Trust and the AgriSETA were the major sources of bursary funding. We sincerely appreciated their continued support.

CA BURSARY FUND
EXPERIENTIAL LEARNING
PROGRAMMES

In the year under review, participation in the various experiential learning programmes were as follows:

Category	Students	2014	2015
Vacation work		12	-
Internships		5	4
Graduate placements		1	1
Industry exposure programme		34	-

Dressed in their colourful, orange-sleeved T-shirts it was difficult to miss the inevitable group of excited Citrus Academy Bursary Fund students at key industry events held in 2014. With the generous sponsorship from the IDC, they had an extremely busy and eventful year. In June 2014, six students attended the London Produce Show and Conference, while eleven students were given the opportunity to attend the 4th Annual PMA Fresh Connections Conference and Expo in August 2014. Later in August, a group of twenty-six Bursary Fund students and college lecturers were sponsored to attend the CRI Research Symposium, held at Champagne Sports Resort in the Drakensberg. Production management students were also given the opportunity to attend CRI production workshops. Lastly, in March 2015, four Citrus



Academy Bursary Fund students attended the first CGA Citrus Summit in Phalaborwa.

In November 2014, the second Ready-Steady-Work workshop was held at SeulaZimbili on the banks of the Tugela River in Zululand. Twenty-four Bursary Fund beneficiaries were selected to take part in this job-readiness coaching workshop. Ready-Steady-Workers not only benefited from a well-organised and facilitated programme of talks and learning activities, but were also given the opportunity to face their fears with adventure activities.

INDUSTRY PROMOTION

Citrus Academy staff attended PMA Agri-Food Career Fairs at Stellenbosch University, Pretoria University and UKZN in 2014, where they promoted the citrus industry as an attractive and exciting career option. The Citrus Academy also participated in the review of the Agricultural Education and Training strategy of the Department of Agriculture, Forestry and Fisheries.

LEARNING PROGRAMMES

The need for business management skills was previously identified by the Citrus Grower Development Chamber and reiterated by the situational analysis conducted amongst emergent growers in 2013. In response to this, the Citrus Academy initialised the development of the Citrus Business Management programme in 2013.



From September 2014, the programme was piloted in the Kat River Valley, at the Mpofu Training Centre. This programme consists of modules on entrepreneurial skills, financial planning and management, business management, human resource management, sales and marketing and strategic planning. Seventeen learners entered the pilot programme, with eleven still being on board at the end of March 2015.

LEARNING MEDIA

Development was initiated for audio-visual learning media on citrus orchard management and on the Southern African citrus industry. This development will be completed in 2015.

LEARNING EVENTS

During a situational analysis of the current status of emergent citrus growers, which was undertaken in 2013 and early 2014, it was found that there was a general lack of understanding about the citrus export trade chain and the basis of the relationship between growers and exporters. In order to address this need, the Citrus Academy developed a programme which was presented to emergent growers during a series of eleven workshops, starting in February 2015. The workshops were facilitated by Louis von Broembsen, with the programme being based loosely on the Harvest to Home Advanced Citrus Manual which he authored for the Fresh Produce Exporters' Forum.





JONATHAN ROBERTS
GENERAL MANAGER



In the past year a large number of CGACC cultivars reached final release from STG phase, (Shoot Tip Grafting: Groei Punt Enting), these are now in evaluation and some already in semi commercial blocks. At present, cultivars on our books comprise:

- 44 cultivars in selection phase, pre STG.
- 15 local and 14 off-shore cultivars in STG phase.
- 21 have reached final release to the CFB and are being propagated for CRI's trial sites across the country. A further 20 previously released are being planted into semi commercial trials and some will bear fruit during the 2015 season. In this phase we determine true to typeness and if the variety is of probable value.

THE STG AND RELEASED CULTIVARS

Navels: 14 Early, Late and Ultra Late Navels. - These have reached final release and are now in evaluation/experimental phase. Some of these that are looking very promising are being planted in semi commercial plantings. Of special mention:

- Suitangi, KS Late and Lazy Boy; three high quality Late to Ultra late navels, are showing outstanding quality, small Navel ends and good hanging and shelf life results.
- Powell Late Navel; commercially released for some time and continues to perform well in comparison with other Australian Late Navels.

- DeWet Mid-Late Navel, an interesting discovery. A Navel without a visible Navel. With the assistance of Dr. Graham Barry it has been identified as a Navel with all the navel characteristics. Matures between Palmer and Lane Late. CGACC will propose it for further research to determine its susceptibility to pests such as Oleander/M. Bug, FCM etc. for markets sensitive to these pests, Korea China etc.
- Addo Early, (formerly EH) and LF1, the earliest maturing of South African selections in the past two seasons. 2-3 weeks before Lina/Newhall. Addo Early, a large deep orange fruit, ripens evenly. In a packing/post-harvest trial this year it packed out 90% at the SRCC showing no creasing. The first budwood is being propagated at the CFB for the first commercial planting in 2016. LF1 data shows high quality early internals. It has reached interim release and trees for evaluation are being made.
- Glen Red is a promising red pigmented mutation of Lina that has a red blush in the rind. This cultivar will come in before Cara Cara and extend the red Navel season.

Soft citrus: Two early Satsumas, three early Mandarins, three early Clemes, four Midseason Mandarins, three late Mandarin hybrids. These are spread out between STG and final release. Two early Mandarins, Sirio and Etna, brought in by industry pre CGACC are open varieties that

have produced the first fruit in evaluation this year, ripened before Nova.

- Tanorlate a promising ultra-Late seedless Mandarin is receiving interest from growers.
- Tasty 1 is another promising looking early-mid hybrid.

Valencia's: 11 early to late cultivars, three near seedless. Of these, Mclean SL, Benny and Turkey are commercially released for some time. Seven others ranging from Early, Late and Seedless are currently in early evaluation.

Lemons: comprise one long-shaped Eureka selection which will be evaluated for shape and juice %. Negotiations are in progress on offshore disease tolerant Lemon varieties and High rind oil Lemons.

Grapefruit: Four, Sweet/Red Grapefruit Hybrids have recently been imported and are in Post quarantine clean-up. Perceived health problems associated with grapefruit has caused further pressure on demand. Furanocoumarin, a chemical found in grapefruit, appears to exert inhibitory action on drug metabolism, especially statins used in treatment of cholesterol. The hybrids imported show little to no Furanocoumarin.

Rootstocks: Three varieties from UCR, showing tolerance to soil-borne pathogens and calcareous conditions. Seven root stocks from Argentina are now through STG. We are involved in negotiations for a collection of root stocks showing tolerance in replant, calcareous soils, and drought and brak conditions.

Production, Postharvest and Market acceptance: The next phase sees the most promising cultivars

being planted in semi commercial trials to determine their potential for; yield, fruit size, internal and external quality, rootstock suitability, postharvest shipping and market acceptance trials. If proven of value then Plant Breeders Right Protection is applied for. Thereafter as new data is compiled it will progress to our new website information sheets, for growers to see and/or make application to plant. (See our website, still in early development at; www.cgacc.co.za.)

Identification of new cultivars, one of our main activities, has become closely linked to Trends and Stats Analysis.

Sustained excellent prices for lemons and Late Mandarins in recent times has led to an alarming short term trend of unprecedented plantings of these two groups. With reference to Dr Paul Fourie's presentation at this year's Citrus Summit a further 18 million cartons of lemons can be expected by 2020 and a further 21 million cartons of Late Mandarins.

What are the alternatives?

I am asked almost daily by growers what to plant as they become fearful of oversupply of these two groups.

I recently heard Dr. Graham Barry refer to *"planting a spread portfolio as one would do with a share portfolio in volatile markets"*. Sound advice as this not only spreads ones bets but also spreads ones harvesting, packing and cash flow peaks.

Advice by the world's most successful investor; Warren Buffet; *"Be fearful when others are greedy*

and greedy when others are fearful".

As a result, our focus remains on the procurement of a spread of cultivars across all varieties of citrus, in fashion and out of fashion. Quality is always king, but characteristics such as; earliness, lateness, seedlessness, productivity, colour, peelability, disease tolerance and any new perceived important trait of the modern citrus fruit are looked for. Considering that the minimum time from discovery to commercial release of a variety is about 15 years, we cannot be sure what will be in fashion, but long term trends are critical and these show a steady decrease in oranges in developed countries to easy peelers.

Growers are reminded in this new season to be on the lookout for any different looking fruit on your trees, you might just discover that alternative. I would also draw your attention to the CRI website where you can download a copy of "Snykant/Cutting Edge 161" regarding the discovery and handling of new mutations.





KEITH DANCKWERTS
GENERAL MANAGER



River Bioscience (RB) was established in 2003 to:

1. *Commercialise the innovations and technologies developed by the CGA group through CRI.*
2. *Establish efficient distribution networks in order to provide and facilitate after sales service and technical support for the benefit the South African citrus industry.*
3. *Collaborate with international entities which can provide the South African citrus industry with innovative crop protection solutions.*
4. *Supply products to the South African citrus industry at fair prices to growers.*
5. *Generate financial benefits for the South African citrus industry to enable further research and development.*

RB has achieved these goals through the successful commercialisation of Cryptogran, M3 and Invader-B-lok. The profits generated from the sale of these products, has allowed RB to invest a total of R18,5 million in the citrus industry through Xsit, royalties and dividends to CGA group and additional research since inception. R10,5 million has been invested in Xsit. Xsit has proven over the past three to four years', in conjunction with complimentary controls such as Cryptogran and mating disruption products, to effectively reduce the problems associated with FCM in export fruit

to insignificant levels. This has secured continued access to the all-important USA market for Western Cape citrus growers.

This would not have been achieved had RB not funded the expansion and roll out of application technology to Xsit. A further R1, 2 million rand was invested in gyrocopters for Xsit in the past financial year.

These investments in supporting the South Africa citrus industry are made possible by continued grower support.

RB also generating profits in agricultural sectors outside the citrus industry, and these profits naturally flow back to the citrus industry.

Our product range is specifically aimed at controlling phytosanitary pests in an environmentally sustainable manner, with control equivalent to or better than chemical alternatives. Our range provides all fruit growers with viable alternatives for the future when further pressure will be exerted on the farming community to reduce its use of potentially hazardous products.

RB has increased its product range from inception in 2004 and now includes:

- Cryptogran to control larvae of false codling moth
- Helicovir to control larvae of bollworm
- M3 to control fruit fly in all fruit crops
- Invader-B-lok for control and Invader-Lure for monitoring of males of the African invasive fruit *Bactrocera dorsalis*.

- Cryptonem for control of FCM, codling moth, weevils and beetles.
- Nemapom for control of overwintering codling moth larvae, western flower thrips, sciarids and fungus gnats.

We believe that RB has and will continue to fulfil its mandate by providing top quality effective products. As a result of RB's introduction of these products, competitive products have also made their way into the market. The extra competition keeps price under pressure.

Industry research proves RB's biological range to still be the most cost effective and efficient FCM and fruit fly controls. Highest concentration FCM virus, only female bait station, and highest concentration MAT block in the market with proven efficacy in eradicating early incursions of *Bactrocera dorsalis*.

The working of these products has regularly been proven to be the best and equal to the

best chemistry available. All at the most competitive prices.

Furthering the ideals of income generation - RB has extended registrations of:

Cryptogran to all crops susceptible to FCM, Helicovir to all crops susceptible to bollworm, Registered Nemapom, a cold tolerant Entomopathogenic nematode to assist in FCM control.

RB actively seeks international markets for its current and new product range.

RB is also bringing exciting new technologies to the market in the next year.

- 2 new fungicides to control CBS, alternaria, and Phytophthora brown rot
- an antbait to control both economically important ants in citrus
- and products for use in tomato and potato production.

RB products are proudly distributed by

- Wenkem
- Nexus
- Novon
- Humansdorp Coop
- Citchem in Zimbabwe

River Bioscience - CGA owned and proven biological technology for your benefit. Use it.

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PAUL HARDMAN

INDUSTRY AFFAIRS MANAGER



CGA ADDRESSING PLANT PROTECTION PRODUCT ISSUES

Typical of every citrus export campaign this production cycle provided its own set of unique challenges which required CGA to address:

- **Canadian Dithiocarbamate MRL SOP:** The reporting of an exceedance of the Canadian maximum residue level (MRL) for Dithiocarbamates in May 2015 (sample drawn in 2014) lead DAFF to propose specific
- **South Korea and 2,4-D:** Korean authorities notified that they had reduced the 2,4-D MRL on citrus down to the level of detection in October 2015, effectively precluding the

measures to monitor the residues on fruit destined for Canada. The Canadian MRL is significantly lower than all other countries where SA exports citrus to. While DAFF's intention was sound, the proposed Standard Operating Procedure (SOP) was highly impractical, very disruptive and extremely costly. CGA called a number of meetings with DAFF and a simplified SOP was ultimately applied in June 2015. However, to address the root cause of the problem - the very low MRL - CGA have been actively engaging counterparts in the US and Canada, as well as the manufacturers of Mancozeb (the key Dithiocarbamate here) in order to have the US and Canadian MRL revised upward. The main challenge in this regard has been the fact that Mancozeb is under review in North America and MRLs are not generally amended during this process. This is compounded by the fact that the "risk cup" for Mancozeb is full which means the MRL for some other commodity would need to be dropped before the citrus MRL can be established. This somewhat complicated process has been initiated so that in time the citrus MRLs will be revised in the US and Canada. There is a need for the Mancozeb MRL to be set in both the US and Canada given the prospect of citrus from non-Citrus Black Spot free areas entering the US in future.

use of this active. This was surprising given the implication for both Southern African and North American citrus entering South Korea, and that this reduction in the MRL was inconsistent with the MRLs globally. CGA engaged with Californian counterparts and confirmed that data had been submitted by the Americans to reinstate the MRLs. South Africa is supporting this application but the prevailing view is that MRLs will only be updated at the end of 2015.

- **Retention of EU Guazatine MRL:** The use of Guazatine remains very important given the lack of suitable alternative post-harvest treatments to control Sour Rot. Since the EU notification to reduce the Guazatine EU MRL in 2013 the CGA have engaged the EU Commission, the Department of Trade and Industry and DAFF to retain the existing EU MRL of 5.0mg/kg. The South African government officials both locally and abroad are thanked for their efforts in this matter. The registration holder of Guazatine products in SA has been driving the process by providing technical support and generating suitable data to retain the MRL. The key issue here lies in the validity and appropriateness of the EFSA scientific opinion regarding the suitability of the EU citrus MRLs, and the decision-making process to reduce the MRL. As discussions around this issue play out, the current EU MRL of 5.0 mg/kg remains in place.
- **EU Endocrine Disruptor Policy for Pesticides:** Looking into the future, the EU

are changing their approach to pesticides authorizations by introducing endocrine disrupting criteria into the evaluation process. CGA have been involved during the consultation phase because if very “strict” criteria are adopted as many as 40 percent of insecticides could be withdrawn creating massive challenges for producers implementing integrated pest management practices. Growers will be updated as these policies are finalized and adopted.

- **Post-Harvest Treatment Labelling:** Changes in post-harvest treatment labelling on the carton created a number of challenges for citrus producers during the year. India in particular became unpredictable in the application of their requirements which has had a direct negative impact on trade. By speaking directly to official representatives in India CGA was able to provide updates of these changes through the Cutting Edge extension briefs.

SUSTAINABILITY INITIATIVE OF SOUTH AFRICA (SIZA)

SIZA is playing an increasingly important role in the ethical trade assurance landscape by providing importers and retailers with evidence-based and verified information about the working conditions of farm-workers in South Africa. The increasing recognition of the programme is also helping to address structural issues before they become problems. This was most apparent when planned labour unrest issues were averted in the Western Cape in November 2014 through facts-based constructive engagement with the relevant parties. But if the impact of SIZA is visible at a national or provincial level, it really is most valuable at the farm level where tools have been created to address day to day needs

of producers. It is therefore not surprising to report the number of SIZA members has doubled since March last year to 1241. SIZA training workshops and awareness raising activities were held in most growing regions and growers are encouraged to make use of these to learn more about SIZA. In August 2014 the tough decision was taken to move from existing information management systems and to develop a South African orientated data platform for SIZA activities. This decision led to some frustration as manual interim solutions were implemented. The SIZA management has expressed their gratitude for members who patiently allowed this process to happen. SIZA is well on track to “turn on” this new platform and CGA is looking forward to see how the new functionality will add value to the citrus industry. The Fruit South Africa Board also initiated a process in January 2015 to appoint a permanent SIZA manager to oversee the SIZA programme, aligning FSA structures with the broader vision for FSA, as the incumbent Manager had only been employed on a contract basis. The appointment of the new manager will be made in the next period.

COMMITMENT TO SUSTAINABLE PRODUCTION - ENVIRONMENTAL STANDARDS

Over the last two years Fruit South Africa and the WWF have been developing voluntary environmental standards to fill a current “environmental” gap in the overall consumer assurance space. The “standard” has been completed, pilot tested, and the spreadsheet tools used to record and report the data refined. Although built to international best practice criteria these tools must undergo a formal benchmarking exercise in the next year, while engagement with importers and buyers will be

initiated in parallel. The aim is to ensure a single environmental solution is applied across the SA fruit industry to avoid duplication of time and cost.

PHYTCLEAN PROJECT - ELECTRONIC DATA INTERCHANGE (EDI)

At the March 2014 Citrus Market Forum meeting CGA was asked to coordinate a working group that would focus on bringing greater flow of information into the citrus industry to support the various export processes and to better manage Phytosanitary risk. The PhytClean project was thus initiated to investigate, design and implement a system to electronically share information between stakeholders with underlying goal to be in a situation where electronic export certification can take place. Since initiating the project it has expanded to include other FSA members. Funding of approximately R900 000 to kick start the project has been received from Department of Science and Technology (DST), Research for Citrus Exports (RCE), Sector Innovation Fund (SIF). By February 2015 a scoping document was prepared after extensive engagement with stakeholders across the supply chain. Between March 2015 and June 2015 design of the system will take place with development starting in July 2015. Running in parallel with this process was the use of online phytosanitary registrations and the development of various online tools developed by CGA to help DAFF manage the status of PUCs and orchards for Special Markets. These “pilot” initiatives have proved valuable in improving the PhytClean data platform concept besides adding immediate value to the citrus industry in 2014/2015.



SAMPIE GROENEWALD
GENERAL MANAGER



During the financial year ending 31 March 2015, Xsit has managed to not only sustain its current market share, but has also grown its footprint within the Eastern Cape citrus producing areas, as well as in other crops such as table grapes and green peppers.

The total area now under FCM-SIT has been increased to 12 500 hectares. A short review of its operations and the results obtained is shown below:

WESTERN CAPE

4500 hectares (85% of the planted citrus) in the Cederberg region has been under SIT for a number of seasons and the excellent 2014 results are seen as a culmination of the efforts of the SIT program and the efforts by growers to manage the FCM problem in the area.

As a prime example of this, the amount of fruit rejected for the USA program due to FCM was the lowest in history, showing a steady decline since the inception of the SIT program:

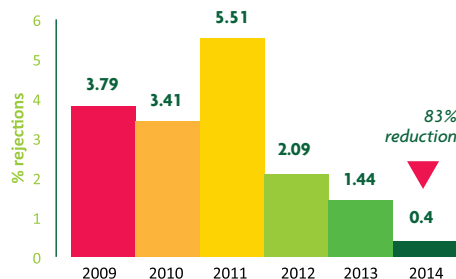


Figure 1: Percentage cartons rejected due to FCM for USA market

SUNDAYS RIVER VALLEY

6 500 hectares (75% of FCM susceptible cultivars) are currently under SIT, with FCM related fruit damage, especially the latest season, being greatly reduced. The inclusion of FCM SIT as a mandatory part of the SRCC protocols has assisted greatly in achieving these results:

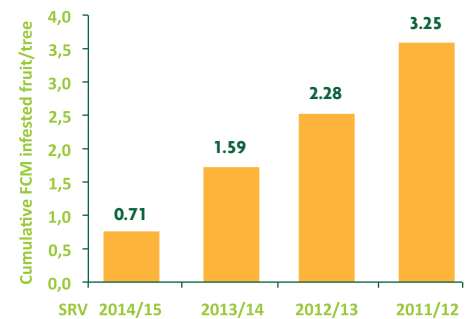


Figure 2: Cumulative FCM infested fruit per tree in the SRV

GAMTOOS RIVER VALLEY

Fantastic reduction in FCM numbers have been noted in this, the first season of SIT in the area. A total of 1 700 hectares (60% of the area) was signed up for the first season and results have been nothing short of dramatic:

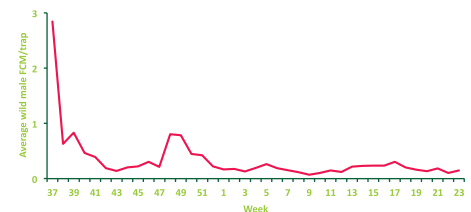


Fig.3 Average wild FCM per trap/week

Key to Hectares

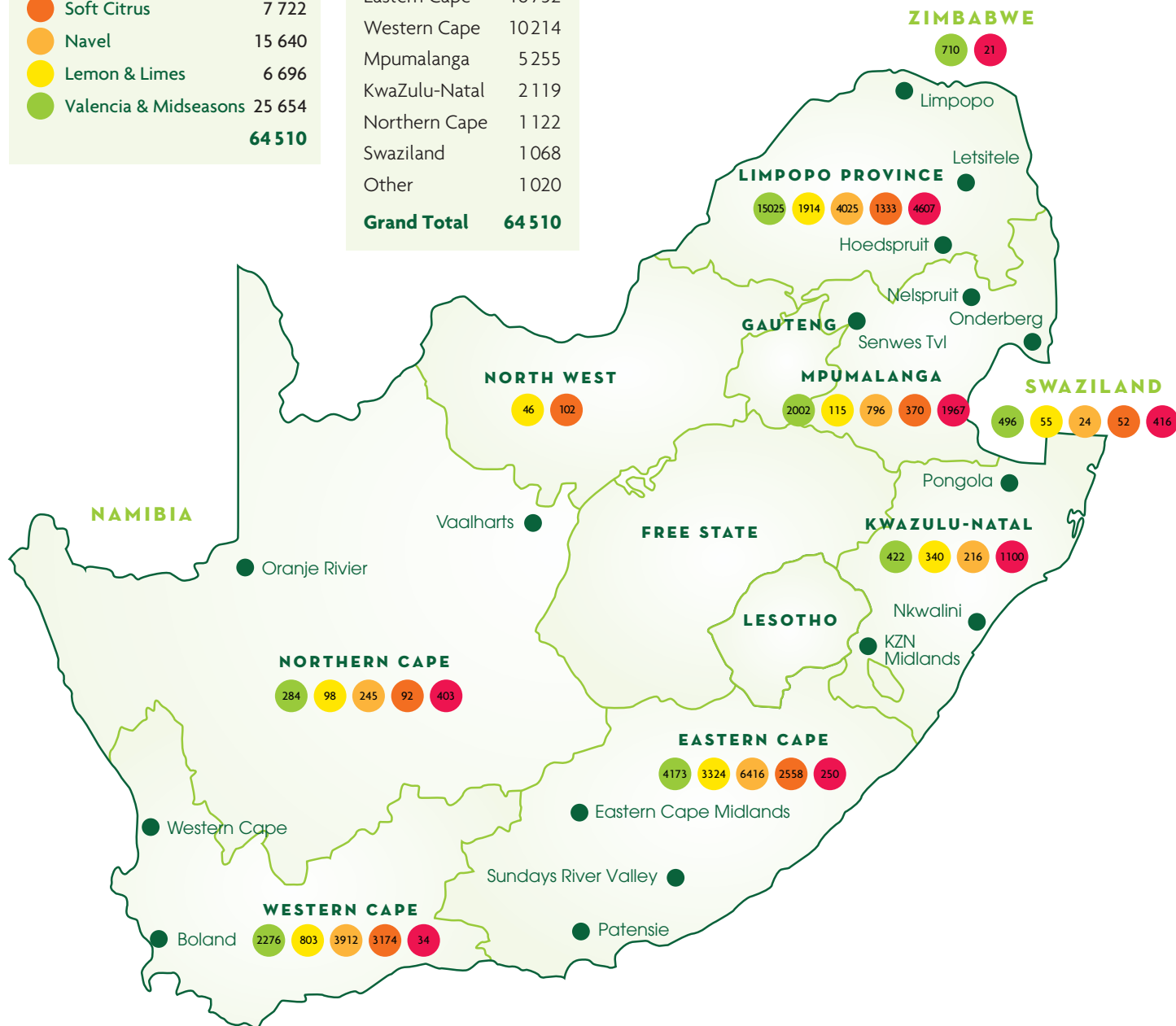
● Grapefruit & Pummelos	8 798
● Soft Citrus	7 722
● Navel	15 640
● Lemon & Limes	6 696
● Valencia & Midseasons	25 654
Total	64 510

Province Area (Ha)

Limpopo	26 960
Eastern Cape	16 752
Western Cape	10 214
Mpumalanga	5 255
KwaZulu-Natal	2 119
Northern Cape	1 122
Swaziland	1 068
Other	1 020

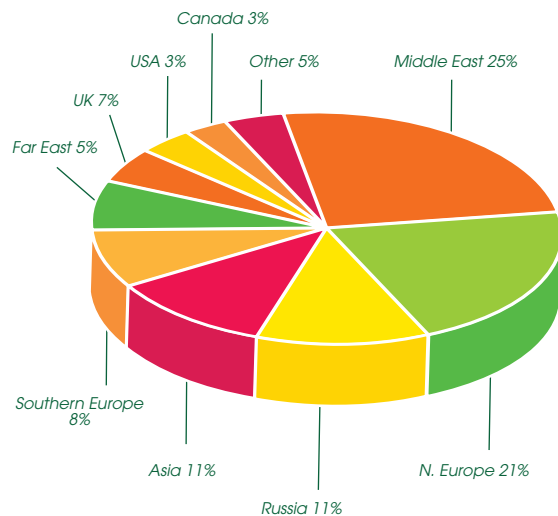
Grand Total 64 510

CITRUS PRODUCING REGIONS

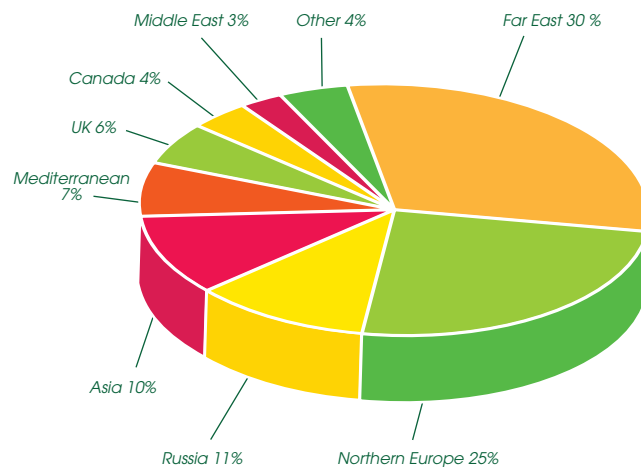


EXPORTS 2014

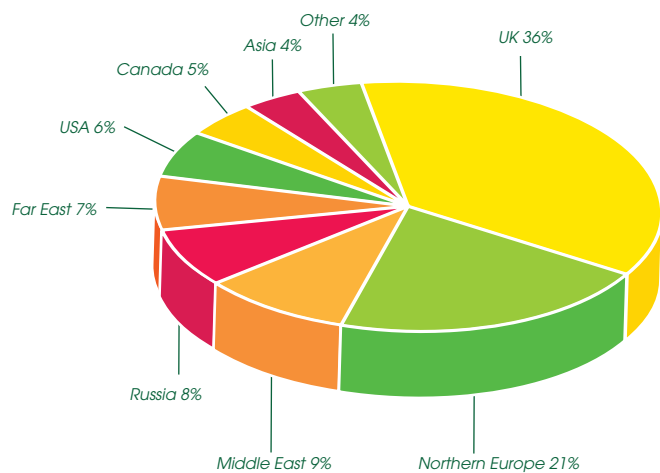
ORANGES



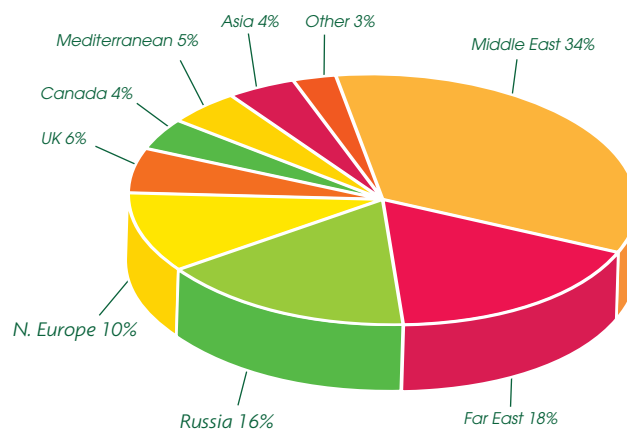
GRAPEFRUIT



SOFT CITRUS



LEMONS



Source: PPECB

*Inspected, passed for export

ABRIDGED FINANCIAL STATEMENTS

	ACTUAL	BUDGET	ACTUAL	BUDGET
	2013/14	2014/15	2014/15	2015/16
Income	53 422 562	58 300 000	58 165 140	66 214 404
RSA Levy	50 313 887	49 000 000	55 120 465	54 590 000
Swaziland / Zimbabwe Levy	1 321 752	1 050 000	1 038 096	920 000
Draw from Reserves		2 750 000		2 600 000
CBS Provision (Drawn from reserves)		4 000 000		6 500 000
Net Property Income			52 364	54 404
Interest	1 042 368	1 200 000	1 342 684	1 200 000
Dividends Received - River Bioscience	300 042	300 000	300 042	300 000
Citrus Summit Registration Fees			189 489	
Other Income	444 513		122 000	50 000
Expenditure	49 334 329	58 271 800	55 374 042	66 200 268
Staff Costs	3 786 852	4 088 300	4 150 985	4 794 908
Travel & Accommodation	309 065	309 500	259 128	310 000
Office - Rent & Equipment	290 326	214 000	470 411	50 000
Office Expenses	329 397	376 000	580 927	436 000
Board Expenses	543 347	612 000	327 920	812 000
Services (Accounting, Legal & Insurance)	326 288	340 000	396 130	445 000
Suscriptions	244 584	256 000	257 942	282 000
Communication	132 224	202 000	83 039	177 000
Market Access	2 978 147	3 180 000	2 484 136	3 124 000
Market Access - CBS	1 146 075	7 100 000	5 617 653	7 500 000
Research Programmes - Citrus Research International	32 001 680	33 587 000	33 487 000	38 891 360
Transformation & Grower Development	3 128 208	3 095 000	2 733 470	3 700 000
Transformation - Citrus Academy	2 100 000	2 300 000	2 300 000	2 500 000
Depreciation	23 301	32 000	47 743	32 000
Information	592 312	680 000	539 446	541 000
Citrus Summit Expenses			189 489	
Land Reform				50 000
Regional Capacity				670 000
Profit / Loss on Asset Disposal			5 681	
Provision for doubtful debts	23 219		305 539	
Leave Pay Provision	45 558		(48 063)	
Infrastructure & Logistics	915 514	1 250 000	913 642	1 235 000
Market Development	349 971	400 000	271 824	400 000
Fruit Industry Social Compact	68 261	200 000		200 000
General		50 000		50 000
Net Surplus/(Loss) for Year	4 088 233	28 200	2 791 098	14 136

WWW.CGA.CO.ZA

Conceptualised by Gloria Weare

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