



Citrus Growers' Association of Southern Africa



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Vision, Mission Statement and Strategic Objectives

Vision: Supporting citrus growers to be globally competitive

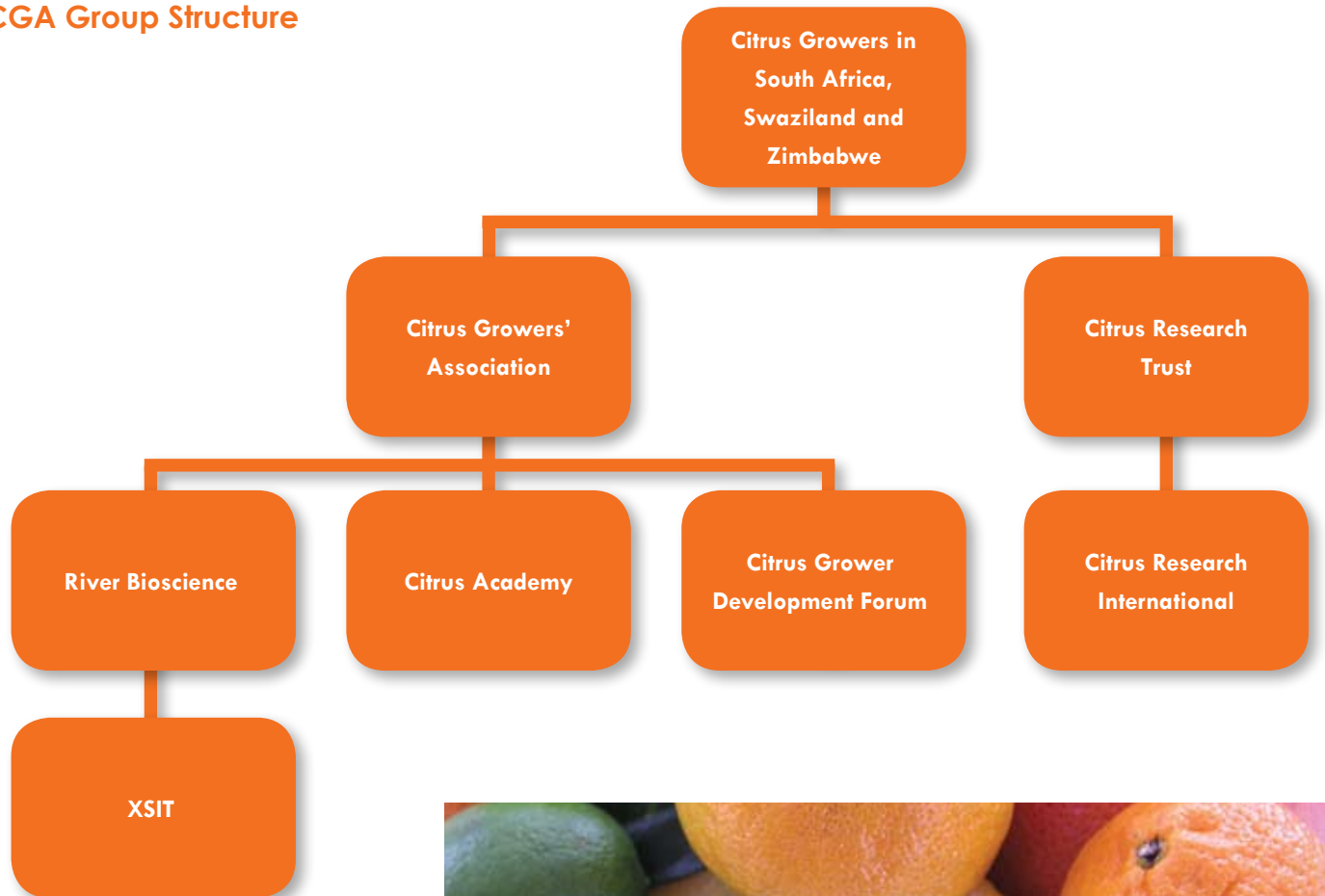
Mission Statement: The Citrus Growers' Association will maximize the long-term profitability of its members.

Strategic Objectives:

- **Administer, fund and resource the CGA group**
- **Gain, retain and optimize 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**



CGA Group Structure





Overview of the South African Citrus Industry

CGA represents the interests of producers of export citrus. There are approximately 1400 citrus growers through South Africa, Zimbabwe and Swaziland who are members of the Citrus Growers Association of Southern Africa.

northern areas have the most valencias, whilst the southern part of the country grows more soft citrus. The Eastern Cape has most of the lemons and also a fair amount of Navels.



Citrus has been grown in South Africa for well over a hundred years. In 1997 a milestone was reached, marking 100 years of citrus exports.

Most of South Africa's citrus is exported via the ports of Cape Town, Durban and Port Elizabeth. Maputo harbour in Mozambique is also used as an alternative to Durban. Citrus that does not make the export market is either processed or sold on the local market.



Southern Africa is able to produce a wide array of citrus products over an extended time period due to the regions diverse climate – from winter rainfall regions in the South to summer rainfall in the north, and from near desert in the west to sub tropical, high rainfall regions in the east. This diverse climate allows southern Africa to produce citrus with a wide range of quality attributes, meeting the desires of the global consumer.

Earning a gross revenue of about Five Billion Rands annually, and employing an estimated one hundred thousand people, the South African citrus industry has been and will continue to be a very valuable source of income and employment for the present and future generations of South Africans.



The most widely grown citrus product is the Valencia orange with over 40% of the total citrus area. The



Administration of the CGA

The CGA has a Board of 20 directors, representing 18 citrus growing regions and two directors representing emerging growers. The CGA has staff reporting to the CEO in the various sectors in which the CGA assists the growers, being market access, food safety and consumer assurance, information, logistics, market development and transformation. Subsidiaries of CGA include the Citrus Research International mandated to carry out research and technical activities, Citrus Academy which was formed to enhance the skills levels and provide essential human capital resources for the citrus industry, River Bioscience established to commercialise the outcomes of research and XSIT to drive introduction of Sterile Insect Techniques. The directors of CGA are voted in by the growers in their regions for a two year term of office. The Board meets two to three times a year.

CGA 2010 Board

S J Viljoen	Chairman	Letsitele
D J Nel	Vice Chairman	Onderberg
C H Engelbrecht	Executive	Senwes
G L Hall	Executive	Boland
G F Piner	Executive	Nelspruit
R A Rouillard	Director	Pongola
P S Noddeboe	Director	Swaziland
P du Plessis	Director	S R Valley
J D Nel	Director	Limpopo River
C W Maggs	Director	Zimbabwe
S R Dellis	Director	Nkwalen
J Smit	Director	Vaalharts
K van Zyl	Director	Oranje Rivier
J E Danckwerts	Director	E Cape Mid
M R Woodburn	Director	S-KZN
S R Meyer	Director	Hoedspruit
P Smit	Director	Finance
J Hobbs	Director	S - PDI
M I Nemaorani	Director	N - PDI
P Smit	Director	W Cape
P Dempsey	Director	Patensie



Market Access

CGA was initially formed for one purpose – gaining, retaining and optimizing market access. This remains the bedrock of the Association and absorbs the vast majority of CGA resources. If Market Access is the “end”, then Research and Technical inputs are the “means”. Through a well structured and resourced research portfolio CGA has ensured market access for citrus fruit from southern Africa. New markets have been opened (such as China), while new products have been included in existing markets (such as clementines into Japan). Access to markets has been expanded – as with the addition of sixteen magisterial districts now able to export to the USA. Threats of market closure have been addressed with minimum impact on trade.

Lucrative export markets also tend to be the most demanding in terms of quality, phytosanitary and sanitary issues. CGA has developed a network of contacts to assist in addressing these challenges, and has representatives in the key EU and US markets. In a global environment where

phyto-sanitary and sanitary barriers have replaced tariffs as the tool to protect domestic industries worldwide, a country's global market share is not necessarily measured by the quality of its product, but by the quality of its research and technical abilities.

Over the past ten years South Africa has become the world's second biggest citrus exporter. This is largely due to the production of fruit of the right quality and quantity for the widely varying consumer

desires, and attending professionally and timeously to phytosanitary and sanitary regulations and requirements. Southern African citrus is exported to just about every country in the world.

To ensure continued competitiveness and growth CGA will continue to invest in research and push for market related quality standards. We will also address sanitary and phytosanitary challenges as they arise and ensure that growers interests are at the top of the agenda.



www.southafrica.info

Research and Development

The areas covered by the statutory Research Levy paid by all growers of export citrus include:-

- Technical market access issues (sanitary and phytosanitary)
- Cultivar development and evaluation
- Pest and disease research
- Horticultural research
- Citrus Cold Chain Forum
- Citrus Improvement Scheme
- Technology transfer

Citrus Research International (CRI) is based in Nelspruit, with offices in Stellenbosch and Uitenhage. Citrus research is carried out in collaboration with private research institutions, government research institutions and universities.

CRI Staff:

Prof. V Hattingh - CEO

Dr J Danckwerts - Chairman

Dr T Grout - Research and Technical Manager

Dr H le Roux - Extension Manager

Quality Assurance

CGA aims to provide product and quality assurance in the following

- fruit quality
- food safety
- ethical production
- environmental conservation
- packaging quality
- GAP harmonization of all accreditation standards

CGA operates an MRL help desk which provides growers with information about food safety requirements in importing countries which practices to follow to achieve these requirements.

To uphold and improve Good Agricultural Practices (GAP) such as Globalgap, CGA makes direct input on technical panels. CGA also strives for harmonization of all standards, the goal being to have production units requiring single inspections through which they receive multiple certification. CGA represents growers in the climate change debate, being actively involved in the initiative started by the fruit and wine industries, which recently launched a carbon calculator. Ethical trading issues also have a high priority, with much needed sensible debate facilitated with interested parties. All those involved in the citrus industry should be treated with respect and dignity.



Engage with Government and other Stakeholders

It is essential that CGA works closely with all stakeholders that can impact the citrus industry. A close relationship exists between CGA and Department Agriculture, Forestry and Fisheries (DAFF) – and in particular the inspection and plant health departments.

Under the umbrella of Fruit South Africa, CGA addresses common issues with the deciduous fruit industry (Hortgro), table grapes (SATI), sub tropical fruit sector (Subtrop) and the export agents (FPEF). The relationship with export agents is further strengthened through joint participation between CGA and FPEF in the Citrus Marketing Forum (CMF).

The Perishable Products Export Control Board (PPECB) plays an important role in the export business, being part of the CMF and keeping in close contact with CGA.

Internationally CGA is a member of the Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE) which includes membership from Argentina, Australia, Brazil, Chile, New Zealand, Peru, South Africa and Uruguay.

The largest citrus trading block in the world is found around the Mediterranean basin, and is represented by CLAM – CGA is an associate member of CLAM.



Department of Agriculture, Forestry and Fisheries



Information

A very important function of the CGA is to keep their growers and stakeholders in the industry well informed on matters that impact on their business. At the beginning of each season the CGA staff visit all the regions in the form of Road Shows, with the latest information in order to inform growers of the planned way forward for the coming year and to hear growers' needs and expectations.

A very popular communication tool is the weekly From the Desk of the CEO, which is sent electronically to a growing database worldwide and keeps interested parties updated with the happenings within the citrus industry in Southern Africa. The CGA has an internal Communication Tool which allows contact with all citrus stakeholders on a variety of topics.

During the season, exporters and growers need to know the volumes of the various cultivars that are being packed and shipped and to which markets. This information is supplied on a weekly basis by the PPECB (Perishable Products Export Control Board), jointly funded by CGA and FPEF.

An annual Citrus Statistics booklet is available which shows export information, crop distribution, tree census details and price trends. An Annual Report is another important means of communication on the functions of the CGA. The SA Fruit Journal is distributed bi-monthly to all grower members and has articles on a subjects which impact on the fruit industries. The CGA website (www.cga.co.za) is an up-to-date website with general information

on citrus-related subjects as well as a password-protected section which contains more confidential information.

The CMF (Citrus Marketing Forum) is a forum made up of exporters and growers which meets three times a year to discuss and share information relating to overseas markets, estimates and other relevant information. There are Variety Focus Groups within the CMF made up of growers representing their regions who have regular teleconferences during the season. These keep everyone informed on important current matters pertaining to exporting citrus. These groups compile estimates which are regularly reviewed, with the goal being to be within 10% of final packed volumes.



Transformation

CGA has been involved in transformation activities since 2000. Recognising the importance of successful new entrants into the industry, the CGA changed its constitution to include two directors representing emerging growers onto the CGA Board.

In 2005 the CGA launched the Citrus Academy. The primary goal was to address skills shortages and assist with employment equity. The Academy has excelled in introducing many graduates to the industry through its bursary programme, a programme that funds study costs, facilitates vacation work, assists in internships and creates career paths for the human capital necessary to retain a world class industry. The Academy

has developed an extensive range of learning material, including manuals covering all aspects of citrus production, a DVD series on post-harvest practices, a nursery training programme and many other training tools.

New entrants to the citrus industry need assistance to succeed in a very competitive industry. CGA, through its transformation desk, aims to surround the new entrant with extension advice, mentorship, training and experiential learning so as to increase the chances of success. The CGA has seconded two Extension Managers to CRI to assist in technology transfer, and to link with government citrus extension specialists in all citrus regions. A well structured mentorship programme has been in place

since 2006 and this base will be built on into the future. Since 2005 the CGA has published three booklets covering transformation of the citrus industry – “Our Citrus Transforms”, “Women in Citrus” and “Youth in Citrus”.

Many newly established citrus entities suffer from conflict due to multiple objectives or lack of common understanding or vision. CGA is working with others to address this social facilitation need. Recently a representative structure for emerging growers (the Citrus Growers Development Chamber) was formed within the network of the CGA which will deal with the special needs that they as a group have identified.



Logistics

Over the past few years it has become increasingly obvious that lack of information on volumes of citrus being shipped from the various ports at particular times has led to congestion and longer port dwell times. This has led to frustration for exporters and anxiety to growers regarding the extra costs involved.

The increased use of road transport has also been a cause for concern, adding to congestion and impacting on the national road infrastructure. There has been a drive to switch to rail under the “tonnage off tar” initiative – this drive is aimed at improving efficiency, decreasing costs and reducing the citrus carbon footprint.

Since post packhouse activities are where the bulk of growers’ money is spent, CGA was asked by its grower members to get involved in this field. Since mid 2009 a number of projects have been initiated. A weekly logistics newsletter is distributed during the citrus season, giving industry role-players a snapshot of what is happening in the ports.

Maputo is viewed as a strategic port and an initiative has been started to stimulate more cargo through that port. Since the decision on what port to use is largely influenced by the costs involved, attention has been given to the full costs of exporting through Maputo. Rail opportunities have been explored and

costed, while all those handling and shipping citrus from Maputo have been approached in order to decrease costs and improve on efficiencies.

The Transnet strike has exposed the citrus industry’s vulnerability to the monopoly in the port, and the danger of relying too much on container shipping. Stimulating competition is important as lessons from the strike are digested and plans put in place to prevent similar crises in the future.

Growers interests in the supply chain are now being addressed by the logistics portfolio of activities, and the benefits are starting to show.





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