

2020

the year that offered so little but delivered
SO MUCH

“Avoid it like the plague,” we were all aware of the expression, we now know how true it is. By Justin Chadwick



Justin Chadwick



When we as an industry met in late-March 2020, we faced a few realities:

- This crisis was unprecedented and there was no source of learning or a blueprint to follow in seeing our way through the season. There was no roadmap to success. We were flying by the seat of our pants.
- There was no use bemoaning the situation we were in. We would just need to suck it up and address the issues as they arose, hope for the best, but plan for the worst.
- We needed to act immediately on each element of the crisis, without procrastination.
- Even better, anticipating issues before they arose, which was difficult without a blueprint. We needed to be creative in assessing what was coming.
- Strong leadership was needed for clear and concise action. Make a decision, act on it with confidence, reassess and go again.
- Use reliable information sources. With so much fake news, even the reliable sources were learning as they went. But by using these sources the naysayers and the worriers could be addressed from a platform of sensible discourse.
- Plans had to be made with the end in sight (that being when the pandemic is over). To worry that this would be the way of life forevermore could introduce bigger issues: mental illness, despair and anxiety could take hold and render people incapable. The reality is that the pandemic could be with us for some time and we could even be facing

similar situations in the 2021 season. So, we needed hope and a sense of purpose.

- Engage with everybody and anybody – this was the time to call in all favours, to learn from all those who could add value. Also, now was the time to embrace new communication technologies, to equip staff and members to communicate in a new way.
- Patience with the authorities – they have never faced a situation like this before. Engage constructively with them in order to achieve the desired outcome.
- Make a decision to come out stronger after this is over – stretch staff targets, apply actions that will produce a stronger association and Southern African citrus sector.

There are a number of factors in this pandemic, and with lockdown, that are beneficial to the Southern African citrus industry:

- Government being aware of the danger of food insecurity, agriculture, including the citrus industry, was deemed an essential sector. The situation could become unmanageable if the population was unable to access reasonably priced, safe and nutritious food. So, all agricultural activities could continue (those that were related to food security, with exceptions in forestry, wine and wool). This privilege (not a right) was recognised as such by the

citrus industry. The citrus industry was to act responsibly so that this privilege would not be reconsidered.

- While sea freight was disrupted, the banning of flights around the globe caused significant disruption to (and even halted) airfreight for fresh produce. Southern African citrus is exported using ocean-going vessels.
- Citrus fruit is sold in wholesale, retail and in the hospitality trade. These multiple routes to the customer meant that fruit could still move. And, considering that the pandemic started in a wet market in Asia, many Asian countries clamped down on these markets. Also, the retail sector was disrupted due to pandemic regulations, making shopping more difficult. Most problematic was the closing down of the hospitality trade. Citrus fruit like lemons are used extensively in the restaurant and bar trade – this seems to have been offset by the cook-at-home trend, with lemons being an important ingredient.
- Consumers, who wanted to limit visits to the retail store to avoid infection, showed preference for fresh produce with a longer shelf life. Also citrus does not take up fridge space.
- With the perception of citrus as a remedy for colds and flu as well as an immune booster, consumers have mostly turned to citrus for vitamin C and in response to health experts' advice to consume more fresh produce. Interestingly, navel oranges became sought after, partly reversing a trend where consumers were switching from navels to easy peelers.

So, what did the CGA do internally? A committee was required to assist with the narrative, planning, resourcing and to drive a strong response to COVID-19. With the peak of the pandemic coinciding with that of the Southern African citrus industry, the season was under great threat: a labour-intensive industry faced a pandemic that put people out of work (to recuperate, quarantine or

isolate) at the peak of the season. So the CGA COVID-19 Response Committee (CRC) was formed to ensure an agile, assertive response to the pandemic. The CRC included the CGA Chairman, two CGA executive committee members, two CGA directors, the CEO of CGA, senior CGA staff and the general manager of the Citrus Academy. The five CGA directors on the CRC represented the bigger citrus growing regions (Lestitele, Sundays River, Senwes, Western Cape and Onderberg). The CRC met on Thursdays at 14h00 from 15 April to 27 August 2020 – totalling 20 weekly meetings held.



The CRC prepared a risk monitoring and action template whereby the different value chain links in the industry were identified: on-farm, packhouse, transport, cold stores, port, documentation, shipping and markets. Then the key risks were identified within each link, prior to the start of lockdown:

- A significant risk was that of workers falling ill – the impact of even one worker testing positive for COVID-19 could

be devastating, given the protocols regarding isolation and quarantining of those deemed to be a contact of the positive tested worker. Worst-case scenario: harvesting teams packing houses, cold stores or shipping terminals being closed down. As the pandemic spread from the Western Cape to the north, this risk increased.

- A further risk was that of inspectors – government and the Perishable Products Export Control Board (PPECB) – falling ill and the associated contact screening, isolation and quarantining that would follow. Since citrus destined for export markets needs to be inspected to meet phytosanitary protocols and quality standards, compromised inspection capacity could be problematic.
- There are three pre-clearance programmes for fruit exported from SA – all fruit destined for Japan, the US and South Korea is subject to a pre-clearance inspection. With international travel halted, there was a risk that citrus would not be pre-cleared for these markets.
- The hard lockdown ceased all but essential services operations, which could impact on citrus industry access to critical inputs. Most importantly – as packing was commencing – access to cartons, pallets, labels and other packaging essentials.
- Movement of people was also registered as a risk. The citrus industry makes use of a large number of seasonal workers to harvest and pack citrus fruit. The extreme measures governing the movement of people posed a risk that workers may not get to farms and packhouses across the country.
- In the first few months of 2020 the trade press reported extensively on thousands of containers stuck in various ports around the world (mostly in China), as the relevant staff had been forced to stay at home. This was a risk for the Southern African citrus industry,

which required empty containers in order to load the 2020 citrus crop, which could have been stuck in other sites around the world.

- Cold store capacity in SA and abroad was identified as a risk. Once harvesting and packing start, the industry keeps churning out pallets of fruit. If logistics chains keep moving, this fruit keeps arriving in the port precinct and compromised container capacity or disrupted logistics chains could cause build-up of citrus fruit volumes in the cold stores, and eventually cold store capacity shortages. There was also a concern that non-essential goods could congest cold stores (as there were restrictions on movement of these goods). Likewise, these events in target markets could also impact on the free flow of cargo.
- Given the difficulties in Port Elizabeth and Coega ports in 2019 and concerns about Cape Town, port efficiency – and in particular, the container terminals – was now identified as a risk. When the country went into lockdown, Transnet Port Terminals (TPT) reduced staffing in Durban to 30%. They assumed that only essential cargo would be worked, and there was a high number of staff at risk from the virus. What they failed to address was the fact that offloading and loading only essential cargo is nigh impossible. What was needed was for an entire vessel to be offloaded, and non-essential cargo to be stored until restrictions eased. This reduction in work force was a huge risk to the industry, as more than 50% of Southern African citrus is exported through Durban.
- Port communications also posed a risk around port management's timeous

notification on port activities to the citrus industry, as well as the industry keeping port management abreast of crop volumes, packing and fruit being sent to the ports.

- Asia has been a target for increased export volumes for some time. In Asia a considerable volume of fruit is marketed in wholesale (or wet) markets. Since the Corona Virus was contracted in the wet markets in China, these markets had been closed down initially, and later allowed to operate under restrictive conditions. This was the case throughout Asia, posing a risk that these markets would not operate efficiently, and that volumes demanded in Asia could be reduced.
- There were also risks in other markets: uncertainty regarding how retail stores would operate, and what the impact of closure of the hospitality trade would hold for citrus fruit.
- Much of the documentation required to ensure the passage of fruit through the supply chain is couriered to authorities and trading partners in destination markets. Most courier services stopped during hard lockdown. The ability to ensure documentation requirements were met was identified as a significant risk.

Once the season started, and harvesting and packing tempo increased, additional risks were added:

- After hard lockdown, and with restrictions lifted as the country moved up to level 1, the diesel industry was caught off-guard by the increase in demand for refined diesel. The refineries had insufficient diesel for the demand. In addition, criminal elements had tapped into the diesel pipeline between Durban and the reef, causing a

disruption to the diesel supply line. This was a risk as almost all citrus fruit from northern South Africa and Zimbabwe is transported by road to Durban port.

- Unrest around the employment of foreign drivers recurred mid-season and manifested in the burning of trucks and attacks on foreign drivers. These criminal activities forced transport companies to change their operations, a risk to the citrus industry. Many transport companies stopped travelling at night, some hiked their freight transport costs while others refused to offer a service. This threatened the growers' ability to get fruit from packhouse to port.
- The changed trucking operations led to congestion in the Durban port precinct, which had been problematic even before 2020. Coupled with the big 2020 citrus crop, Durban port was a risk.

Given all these risks, the CRC needed a systematic method to decide on priority risks and an action plan. For this purpose, all risks were scored on a scale of 1 - 10 in terms of probability and impact. A risk that was highly improbable scored a 1, while a highly likely risk scored a 10. Likewise, risks were scored from 1 - 10 relative to their impact on the citrus industry. By multiplying probability and risk, a score out of 100 was calculated. Any risk that scored more than 30 was then identified as needing action. The CRC identified the CGA's area of influence and developed an action plan to address those risks scoring above 30, where influence could be exerted.

The evolution of these risks is presented in the table opposite.

In order to address the risks a number of initiatives were introduced by the CGA:

- Industry stakeholders needed access to credible information. As a member of the Agriculture Business Chamber (AgBiz),

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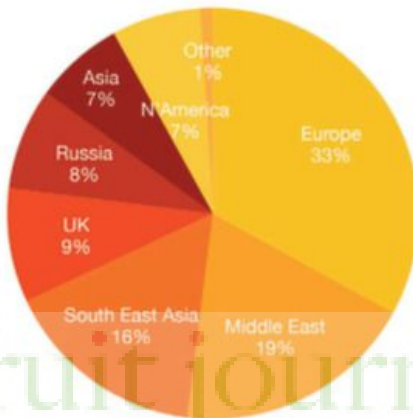
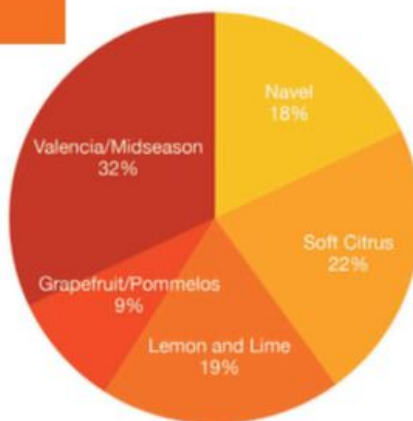
The evolution of risks

	24/4	30/4	7/5	14/5	21/5	28/5	4/6	11/6	18/6	25/6	2/7	9/7	16/7	23/7	30/7	6/8	13/8
Farm worker +ve	70	70	70	70	70	70	70	70	70	70	70	100	100	100	80	80	80
Farm availability inputs and services	30																
Farm workers - interprovincial transport			40	40	40												
Packhouse input and services	64																
Inspection Services DALRRD PPECB	56	56	64	64	64	64	64	80	80	80	80	100	100	80	70	50	30
Packhouse worker +ve	49	70	70	70	70	70	70	70	70	70	70	100	100	100	80	80	80
Farm packhouse transport workers	35	35	35	35	35												
Diesel shortage						80	80	80	80	80	80	80	40				
Transport criminal activities						42	42	42	42	42	42	80	80	64	64	64	32
Transport border post												64	80	40	40	40	40
Transport cost												64	80	100	100	30	30
Transport congestion												48	80	100	100	50	60
Transport availability vehicles												42	80	80	80		
Cold store worker tested +ve	56	80	80	80	80	80	80	80	80	80	80	80	100	100	80	80	80
Cold store space availability	40	40	40	40	40	40	40	40	40	40	40	32	72	72	72		
Inspections pre-clearance		72	72	72	72												
Shipping availability empty containers	64	64	64	64	64							48					
Port worker tested +ve	56	80	80	100	100	100	100	100	100	100	100	100	100	100	100	60	60
Port communication	56	56	56	56	56	56	56	56	56	56	56	56					
Port efficiency		80	80	100	100	100	100	100	100	100	100	100	100	100	100	50	40
Markets closure wet market	42	42															
Market availability and Price competing products	32																
Market volatility			56	56	56	56	56	56	56	56	56	56	80	80	80	80	40
Markets general low demand				80	80	80	80	80	80	80	80	80	56	56	56	56	32
Documentation SARS/BOL	50	50	50	50	50												
Documentation issuing phyto	50	50	50	50	50	50	50	50	50	50	50	50					
Documentation acceptance phytos	30											50	50	50	50	30	

the CGA consolidated the circulars received regarding government directives into COVID-19 memos. The memos also included other relevant information regarding COVID-19. In total, 44 memos were distributed to over 3 000 stakeholders, covering the period April - July 2020. The memos steered clear of the controversial or sensationalist aspects of COVID-19, as well as any statistics regarding the pandemic. Rather, they focused on important COVID-19 information relevant to the industry, as well as advice and updates.

- It was clear that growers and packhouse operators needed guidance on what to do at the workplace. The CGA and Citrus Academy developed two guidelines: one for the workplace and one for the transport of workers. As regulations changed or new information became available, these guidelines were updated. They were distributed with the memos, sent to all CGA members, and placed on the open section of the CGA website. Contact was made with fruit industry representatives in Spain, Australia and New Zealand who assisted by sharing their approach to responsible activities in the workplace. The CGA also asked grower members to share their tips and experiences, which were distributed to stakeholders.

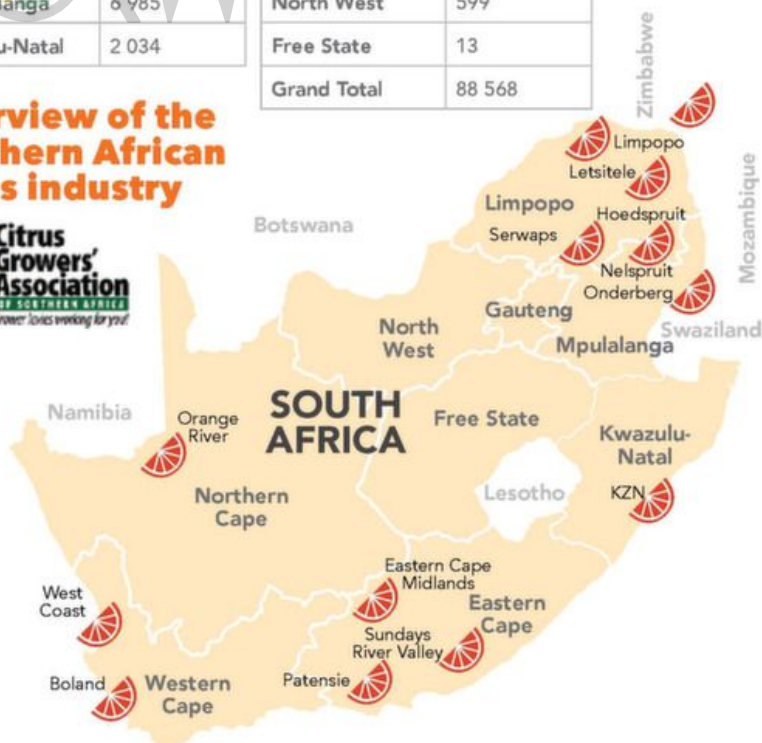
- A positive outcome from the pandemic is the closer relationship with government. The Minister of Agriculture, Land Reform and Rural Development (DALRRD) called a meeting following the President's lockdown announcement, and a steering committee was formed consisting of all partners in the agricultural sector. AgBIZ represented citrus industry interests on this steering committee. In addition, the CGA had the opportunity of reporting on issues impacting the citrus industry through twice-a-week reporting in the BFAP End to End Agri Food Chain Tracker.



Area	Sum of HA
Limpopo	36 039
Eastern Cape	23 020
Western Cape	16 241
Mpumalanga	6 985
Kwazulu-Natal	2 034

Northern Cape	1 877
Zimbabwe	919
Swaziland	842
North West	599
Free State	13
Grand Total	88 568

Overview of the Southern African citrus industry



Information captured in this tracker was reported directly to the responsible minister. Many issues identified in the Tracker were given immediate attention by the relevant ministry. The CGA also held direct briefing sessions with the Minister of Public Enterprises (regarding ports) and the Minister of Trade, Industry and Competition.

- The CGA also used the opportunity to build a relationship with provincial government in the four provinces with the largest citrus plantings – Limpopo, Eastern Cape, Western Cape and Mpumalanga. Video conference calls were scheduled with the MECs for agriculture and rural development.
- The good relationship that DALRRD has with authorities in Japan, South Korea and the US also assisted with pre-clearance. Japan and South Korea allowed DALRRD to conduct

the inspections, while the US ensured appropriate capacity to clear citrus fruit. The strong relationship between the CGA and US embassy officials in Pretoria also helped minimise disruptions.

- The CGA held weekly meetings with DALRRD inspection services to monitor inspection activity and plan for different scenarios.
- As businesses opened up, government placed certain requirements on them. One such requirement was that each business must have a COVID Compliance Officer. The Citrus Academy developed a COVID-19 Compliance Officer Training Manual, and trained over 300 compliance officers and related delegates.
- In order to keep CGA members and stakeholders informed of market developments, the CGA prepared regular market reports. In addition, Freshfel reports on the EU market were circulated to members, and Southern Hemisphere Association of Fresh Fruit Exporters (SHAFPE) meetings were attended and reports circulated. Video conference calls were conducted with the trade in China (importers, retailers and wholesalers) to get first-hand information on the status of the markets, while information was also attained from contacts in the Philippines, India and Japan. Industry contacts in the US also provided information throughout the season. As it turned out, concerns about negative market dynamics were largely unfounded – in fact citrus products were generally the “flavour of the month” and sales were very good (largely driven by the search for vitamin C and the perception of citrus being a remedy for colds and flu, and an immune booster).
- A few years ago the CGA initiated a project to move several phytosanitary controls and reporting to an electronic platform. This project widened in scope – and was transferred to Fruit South Africa, with funding and participation

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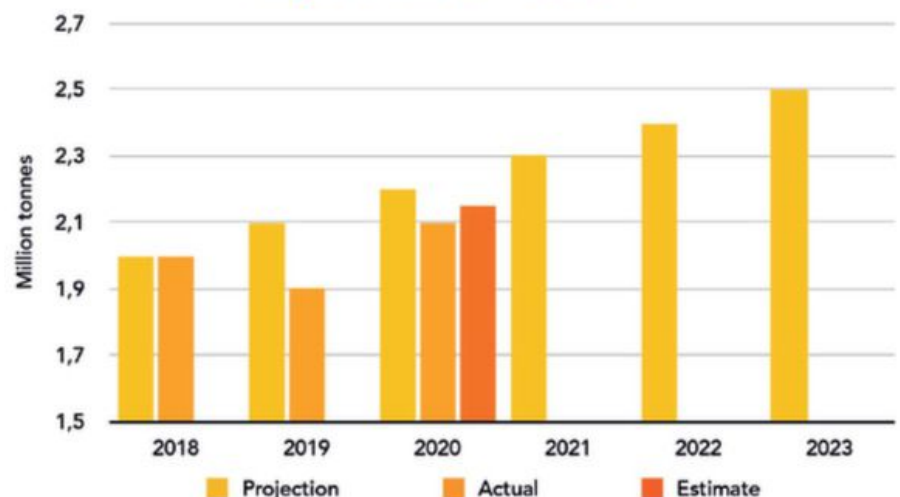
from DALRRD. This move was opportune, as it now enabled SA to electronically transfer phytosanitary certificates and related information. Importantly, this also addressed documentation risks in the EU and other destination markets.

- The CRI assisted with information on availability of pallets and cartons – which was generally undisrupted; and the CGA assisted with certificates and proof of provision of essential services.
- For Zimbabwean growers the Beit Bridge border post was a nightmare: north-bound traffic was sometimes held up for up to three days, impacting on transport and provision of cartons and other inputs. South-bound was less impacted. This traffic was reported through the BFAP Tracker.
- The lawlessness on the roads was also reported on the BFAP Tracker and actioned. Other criminal activities on roads in the Western Cape, impacting transporters of citrus from the Western

and Northern Cape to Cape Town Port, were reported to provincial and national authorities.

- The diesel situation was reported on the BFAP Tracker and some preference in supply was given to those transporting agricultural products.
- The CGA monitored cold stores – in general, capacity limitations did not arise.
- The shipping lines ensured that enough empty containers arrived in time for the season.
- The biggest disruption was at the ports, particularly the container terminals. A large number of workers tested positive for COVID-19 at Cape Town TPT, resulting in a reduced work force. At the peak of the problem, vessels were at anchorage for 22 days, awaiting berthing in Cape Town. Consequently, one shipping line introducing surcharges, while others skipped the Cape Town port altogether. Fruit caught up in this debacle took

Projections for 2023



over two months from harvest before eventually arriving in the destination port. A fair amount of Western Cape fruit had to be trucked to Eastern Cape ports – a costly exercise. The CGA engaged the Minister of Public Enterprises, Transnet Group Chief Executive and senior staff and directors, and TPT chief executive and management to find solutions and keep the fruit moving. The CGA was also included in daily operational and weekly reefer container meetings.

- Strong winds and ocean surges caused many port stoppages, exacerbating the delays.
- The situation in Cape Town did improve, and fortunately both Port Elizabeth and Coega worked well.

Then there was the discovery of two stowaways in a vessel from Cape Town to Durban. The pandemic presented the dilemma of reluctance to take custody of them. So, the vessel was returned to Cape Town. Through AgBIZ, contacts at The Presidency and other high-ranking officials, the stowaways were eventually removed and the vessel could continue.

A very unfortunate outcome of the pandemic was the impact on lives and livelihoods: unemployment, small business operators closing down and the hospitality trade decimated. The CGA provided fruit for the needy. Growers and packhouses were requested to identify surplus fruit. Then, the CGA approached the Department of Social Development and NGOs to determine who required fruit and the CGA staff managed the distribution. In 2020, more than 1 600 tonnes of citrus was distributed. In addition to the fruit distributed through the Orange Heart Fruit Drive (the CGA initiative), many packhouses and growers distributed fruit, food parcels and other donations within the communities where they operate.

To keep those involved in funding the citrus sector informed of industry

Cape Town terminal berth delays 28th May 2020 to date



fruit journal



developments, navigation of the pandemic, and expectations for the season, briefings were held with the four major commercial banks – in March/April and July/August.

As expected the peak in the virus did coincide with the peak of the citrus season. However, responsible actions and vigilance all round meant that very few workers fell ill, with no reports of harvesting gangs being disrupted, or packhouses being closed down.

In conclusion:

- There is now a much closer working relationship between the CGA and the relevant government departments, at all levels.
- Deficiencies at the ports were brought into stark focus and actions to fix the problem and improve efficiencies at the port are now being initiated.
- Economic recovery is being driven by export-focussed industries like fruit.
- The Orange Heart Fruit Drive has introduced a sense of community, to continue beyond 2021.
- The important role of labour, and the value placed on a motivated and healthy labour force, were reinforced.
- Sector and grower unity resulted in problems being faced by a collective, and decisions made for the collective good were accepted and responsibly implemented.
- The foresight of having implemented digital solutions to replace documentation was hugely beneficial.
- The demand for citrus fruit – for health and convenience – meant that sales volumes and returns were good in 2020. 🍊