

PLAN TO SUCCEED

LEAD TO INSPIRE



The second Citrus Growers' Association Citrus Summit with Standard Bank as main sponsor, was held on 8th and 9th March at the five star Boardwalk Hotel, in Summerstrand, Port Elizabeth.

With 550 delegates attending it is safe to say that this second, bi-annual Citrus Summit reflects the successes of the booming citrus industry. As the second biggest exporter of citrus by volume in the world, the South African citrus industry is becoming a leader in 'how to beat the curve'. In Pieter Nortje's words (chairperson of the Citrus Growers' Association of South Africa): *"We as growers faced the real threat of an industry ending event, yet we emerged with possibly the best positive period in our history. That didn't just happen by chance, it is a result of the many great people in our industry and the very hard work done by them. We are a dynamic industry who managed ourselves into a world class industry."*



*Prof Mohammad Karaan
(Dean of Faculty AgriScience
Stellenbosch University)*

In the opening discussions about the economic and political landscape, **Prof Mohammad Karaan** (Dean of Faculty AgriScience Stellenbosch University) warned about the possibility of future failures if not prepared. "The success of citrus is probably the most spectacular success story in agriculture in recent times. You are on the verge of great success but also of spectacular failure. The euphoria of success in the citrus industry makes me concerned that it might lead you to a tough place. However, failure is within your control." According to Karaan societies who prosper are those that created an energy for the future in the youth. Creating the future is directing the future. "You have to compare human energy from our country with those of another. I have never seen a nation cultivating such energy for the future like China. They are leapfrogging into the future."

Karaan's concern is that there are not enough opportunities for the youth, not in our country. Nobody creates jobs anymore and by comparing

this problem with others, mega trends like climate change tend to look minute. More interesting is that the economic trend in the world is in intellectual property, not in physical and financial capital any more. Nationalism has the problem that it is not friendly towards intellectual property (IP). "The nations who advanced most, are not those with the best resources, but those that invite the cleverest people to come and share their intellect, creating intellectual properties. It is more interesting to look at where the cleverest are moving to and the cleverest people of the world are currently moving to Beijing."

"Our future depends on our ability to command. Who are building the robots of the future? SA is preoccupied with completely different issues and is in fact on very dangerous grounds, making old noise at a higher volume. We need some imaginative action. Our youth are becoming protestors. The reason why Fees must Fall protests are so profound is that out of 170 000 first year students, only 100 000 finish university. They can't pass,

they can't pay. Prof Karaan explained the fight in society by referring to children playing in the field, picking up a flute and the following dispute about whose flute it is: the one who lost it, the one who found it or the one who can play it?

Megatrends are moving towards global nationalism. "We are now entering a phase of a new kind of nationalism. I don't think we as a country have taken enough precautions to know what our game plan is. We are in the best of times and also in the worst of times. You cannot assume that Trump, etc. will not affect you. We are used to firms being more important than countries, more important than the state of a nation. Another, more fundamental issue is that the global economy is slowing down, deepening the crisis. A deeper financial crisis across the world persists, a global scenario of slower economic growth. The world needs to enter a new phase of 'industrialization'."

Regarding the future Prof Karaan says our export growth is not sufficiently labour intensive. A smart society is one that finds the means of radical transformation and creates a know-how and diversifies the country's export base. It will not work unless we focus on the human capital, therefore exports should also be labour intense. Much of the know-how will not be created by ourselves. "We need real expertise, teams of people who approach it in a collaborative way, an across the border type of industry, the ability to collaborate with marketers, producers, etc. across borders. If I could change something I would hire more foreign professors than our own. We need cross pollination. We still complain about the past and do not embrace the future. If you want to be part of the future, we have to create it ourselves by inviting the smartest people to our country. Wealth comes from advanced technologies that will charge us into the future."

Parth Karvat, guest speaker from the Yupaa Group based in Mumbai. Parth discussed understanding the Indian Market as part of the session on Market Access. Here he is with **Dawie Ferreira**.



Nico Groenewald, above, Head Agribusiness Personal & Business Banking, Standard Bank of South Africa, Platinum Sponsor of the 2017 Citrus Summit addressed the delegates on the economic and political landscape facing South Africa. Nico and his teams' main goal is to identify emerging trends and their underlying drivers in agriculture, "focusing on the value chains which provide several opportunities to cement Agribusiness as a prominent sector, providing sustainable existence for mankind". According to Nico Standard Bank threw their weight behind the South African Citrus Industry because they believed it is the one industry that will grow and it did. "As a Bank we would like to provide the necessary financial solution and support to CGA, the industry and its role players in its endeavours to grow and succeed."



Frans Cronje, CEO of the South African institute of race relations (IRR) shared his predicted scenario which describes South Africa's next ten years as the Rise of the Right.



John Purchase, CEO of the Agricultural Business Chamber (Agbiz) of South Africa of which CGA is a member, talked about Transformation in Agriculture during the Sustainable Development session. "South Africa belongs to all people. The question is not IF we do land reform, the question is HOW we do it. We should package our success stories more urgently to Government and the public and we need to embrace transformation far more robustly. "It is not the strongest of the species that survive, nor the most intelligent. It is the one more adaptable to change'."



Dr Mono Mashaba, Chairman CGA-Grower Development Company and Jacques du Preez, General Manager Trade and Markets, HORTGRO.

Mono Mashaba accentuated that sustainable and meaningful transformation will not be realised with the strategy of developing side by side, but rather through developing together. "The reality is that new entrants are not capacitated sufficiently to take advantage of the policies and programmes directed to benefit them. It is a very complex business and a lot still needs to be done. You need capacity to run a farm. Transformation of the industry through empowerment of black growers is not going to be easy, due to limited resources. "We need a total paradigm shift from growers, government agencies and other stakeholders. The strategic goals will be achieved if partnerships and collaborations can be consolidated with all committed stakeholders." He said that CGA-GDC will continue to encourage the development agencies, including departments and agencies, to approach transformation in a commodity-based approach – funding, extension and capacity development.

▲ **Jacques du Preez** explained how HORTGRO developed the market for pome and stone fruit, positioning South Africa as the preferred supplier of top quality deciduous fruit worldwide. By maintaining and increasing the demand through increasing consumption and gaining market share over competitors, as well as creating new demand through market access and new markets and increasing sales volumes and/or prices, the total value of sales were increased. He explained the importance of knowing your consumers, what they want and how they want it. Above all the importance of research on your potential, target markets, getting to grips with the trade consumers, the quality of the product and the fact that it is a long term commitment process. "Don't expect results overnight."



Deon Joubert left and **Rocco Renaldi** right, shared their vision on the current challenges in the EU. Thanks to their commitment and team work they were able to avert market closure for South African citrus into Spain, Italy, Portugal and other EU countries, because of Citrus Black Spot (CBS). Although CBS is a cosmetic issue that needs to be decriminalized, it still remains a big problem. Entry requirements for 2017 into the EU countries are the same as in 2016. False Codling Moth presents another concern that needs to be taken seriously. Official orchard inspections for symptom free fruit trees (pest free place of production) is one of the important requirements.



▲ **JACOMIEN DE KLERK**, General Manager, Citrus Academy, spoke about Human Capital Development in Agriculture. According to her employment will grow on farms (permanent and seasonal workers) within the next ten years. Mechanization will not grow specifically in next ten years. She explained the importance of skills development programmes that need to have a place. "A lot is happening on farms with bursaries and skills development. We need to keep widening the range of supply in the industry. We must make sure there is a range of information available about learnerships, bursaries etc. and we have to develop financial resources for the training of students. Higher education institutions should also come on board, we have to maintain a higher education pipeline between the Citrus Industry and other institutions, securing bursary funding sources. We have to make sure that workplaces supply skills and education."





The **CGA Citrus Summit** reached out to involve the children in the citrus industry by holding a Colouring in Competition.

"We approached approximately fifteen schools in the Sundays River, Kirkwood and Patensie area and we received well over 1 000 entries. The winners were **Audrey Stock** (Grade 2), Best Junior Primary Student, Malmaison Primary (pic above) and **Maxine Jonker** (Grade 6), Best Senior Primary Student, Sundays River Primary (oranges and lemons below). The winners received R1 000 each and R1 000 for their respective schools.



Anton Kruger (CEO, FPEF) talked about the Fruit SA Market Awareness activities and the potential harm to our reputation if SA is not present at the world trade expo's. Fresh fruit represents 50% of South African agricultural exports. South Africa is the second largest exporter of citrus in the world and citrus the largest exporter (65%) of fresh fruit in the country. With a long term view, lots of work behind the scenes and commitment to their task, the Fresh Produce Exporters' Forum works relentlessly to establish South African fruit as the Number One choice worldwide. "Marketing is an expensive undertaking that will only succeed when consumers' wants, needs and behaviours are understood and used to build marketing strategies."

Marc Solomon, Senior Vice President of Procurement Capespan North America and Managing Director of Crocodile Valley Citrus Company in Mpumalanga talked about gaining, retaining and optimizing market access in the USA. He explained the intricacies of the USA market and why this market should be handled with care. "The USA market is a high quality premium market. The US is a citrus producing country and consumers are used to good quality citrus. The Western Cape Citrus Alliance/Summer Citrus from South Africa have been very mindful of this in their approach to the USA market. Careful coordination and management of quality standards have built a strong reputation for RSA citrus in the market. This can be built on or it can be destroyed as access for RSA widens.

Julian Ribeiro (COO of TBWA/Hunt/Lascaris) addressed the delegates on the benefits of Brand Awareness, which plays a big part in Market Development. He explained how brand awareness of South African citrus, made South African citrus fly! "People don't buy things, people buy into things." When life gives you lemons make something else. Always in a supporting role. Lemons change everything. Lemons are filled with life. They are a showstopper. Squeeze the life out of lemons.



Thembeke Meyiwa, Intern CGA and **Rauff Dawood**, Special Markets Korea, CGA with **Mikhail Fateev**, CGA Representative in Russia. Thembeke spoke about the Measurement of Transformation and indicators to measure it. Measurable indicators were developed by CGA-GDC for determining and monitoring success. Indicators developed were meaningful, easy to calculate and relevant to the growers and looked at the production, economic and social aspects of the emerging growers.





▲ **Kobus Risseeuw** (Risseeuw Boerdery), **Stoney Steenkamp** (Fruits Unlimited), **Bernhard Treptow** (Unifruit), **Flippie Viljoen** (Fruits Unlimited), **Adolf Kieviet** (Freshworld), **Christo Naude** (Malelane Sitrus Koop), **Marius du Plessis** (Clemengold) and **John Morgan** (Corefruit).



Zoliswa Moleza, Zanemvula Ntuli and Nikiwe Apenteng – all from the Department of Rural Development and Agrarian Reform.



▲ **Mono Mashaba** (Chairman of the CGA Grower Development Company) with MEC **Mlibo Qoboshiyana** and Dr **Marcus Cornaro**, EU Ambassador to the Republic of South Africa. Dr Cornaro closed the second day of the Summit with a Message of Goodwill.



▲ **Gerhardt Vorster** (Laeveld Citrus), **Paul Fourie** (CRI), **Guy Whitaker** (Limpopo Citrus), **Hannes Bester** (CRI) and **Tommie Landman** (Vleiland).



▲ **Pieter Nel** (De Wagendrif Boerdery), **Bert Dreyer** (Marble Hall Citrus) and **Hennie Smit** (Frans Smit Trust).



▲ The Villa Crop team **Johan Visage, Marius Boshoff, Petrus Steyn, Roleen la Grange, Rolf Swart and Emil Engelbrecht**. Silver Sponsors Villa Crop sponsored the Welcome "Braai" at the Citrus Summit.



▲ **Lukhanyo Nkombisa** (GM CGA-GDC), **Andrew Mbedzi**, (Manager Technical Support CGA-GDC) and **Walter Mathidi** (farmer).



▲ **John Tallard** (Capespan), **Bertus Dillman** (Noordgrens Landgoed); **Ian Waller** (Origin Direct Asia), **Ben Vorster** (Laeveld Sitrus) and **Stuart Symington** (MD Capespan South Africa).



▲ **Hannes Breedt** (Karino Sitrus Kooperasie) and **Paul Fourie** (CRI).



▲ The CGA held a Carton Competition whereby exporters sent in their carton designs. These were then judged by outside graphic designers. The top three were Crocodile Valley, Papillon and SRCC Organic. These cartons were displayed at the Summit.



▲ In Despatch, an old age home is struggling to make ends meet. The CGA chose Rita's Care Home for a donation of R50 000 to assist them in making the home comfortable for their aged. Giving Back to the Community Charity Donation from CGA Citrus Summit: Left to right: **Suegnet Landman**, Manager; **Cynthia Didloft**, Resident; **Sr. Rita Terblanche**, Owner, receive cheque from CGA Chairman, **Pieter Nortje**.



▲ The CGA decided that the Citrus Summit would be a good opportunity to donate some of the proceeds back to the Community. In 2017 two charities were chosen, each to receive R50 000. **Muffy Miller**, wife of citrus grower Charlie Miller in Sundays River Valley, has been involved in the Langbos Crèche for more than fifteen years. She and headmistress **Nomthandazo Papi** receive their cheque from **Pieter Nortje**, CGA Chairman.



▲ **Suzanne Heinen** (US Embassy USDA), **Buyiswa Ndyenga** (Sikhula Sonke Enterprises Addo), **Frikkie Olivier** (Sundays River Citrus Company, SRCC), **Wellington Sikuka** (US Embassy, USDA) and **Elvis Mkalakahlo** from SRCC.

Corne Muller (CSM Citrus), **Piet Carinus** (Welgemoed) and **John Morgan** (Core Fruit).





CITRUS LEGENDS - 2015 AND 2017

The three Citrus Legends from 2015 handed the 2017 Citrus Legends awards over at the Gala Evening. **Edward Vorster**, **Freek Dreyer** and **Hennie le Roux** were chosen as the next three Citrus Legends as individuals who contributed in various ways towards making a difference to the citrus industry in southern Africa.

Above from left to right are **Jock Danckwerts** - 2015; **Barend Vorster** (accepting award for his father Edward - 2017), **Freek Dreyer** - 2017, **Hesti** and **Mariana le Roux** accepting the award on behalf of their father and husband, the late **Hennie le Roux** - 2017, **Hoppie Nel** - 2015 and **Peter Nicholson** - 2015.



Dr Hoppie Nel with his nominated Citrus Legend for 2017 - **Freek Dreyer**. Since 1997 Freek has been instrumental in transforming and leading the way in which South African citrus is marketed globally. He has played a major role in developing direct exports to eastern Europe and Russia, a bold decision at the time. Since 2005 he has been running an independent global export and marketing operation which has grown into a major exporters of citrus and continues to retain and develop new markets for the benefit of the South African citrus industry.



Above left, The Gala Dinner was opened with a welcome address by MEC **Mlibo Qoboshiyana**, Department of Rural Development and Agrarian Reform, Eastern Cape.

Above right, Master of Ceremonies for the Gala Dinner was **Piet Smit**, vice Chairman of the Citrus Growers' Association.



▲ A very emotional tribute went to the late **Dr Hennie le Roux**, a true Citrus Legend. **Jock Danckwerts** (right) presented Hennie's wife **Mariana** (centre) and daughter **Hesti** (left), with the trophy, wine and Citrus Legend jacket.

Hennie will always be remembered - not only for transforming the citrus nursery industry in South Africa to produce world class disease free trees and being a top class research scientist benefiting the citrus industry with his knowledge on food safety and bio-security - but also for his kindness, his passion for people, and his open door approach to everyone. The most beloved person in the citrus industry worldwide.



▲ Citrus Legend 2015 **Peter Nicholson** with his choice of Citrus Legend for 2017. **Edward Vorster** could not attend, so the Award was accepted by his son **Barend**.

Edward was described as a scenario planner who builds a model to predict possible outcomes. One extreme a high road and the other the low road. He stands out as a leader who convinced others and produced the high road result.



RECOGNITION AWARDS

Marius Boshoff from Villa Crop, sponsors of the Welcome Dinner.

▲ Above, **Marius Bester** accepting the Recognition Award for Piet Karsten for his outstanding achievements during 2015. Piet Karsten, founder of the Karsten Group was recognized as the Agricultural Writers SA National Farmer of the Year. He is one of SA's biggest farmers and has branches in Northern and Western Cape, Middle East and the UK.

Above centre, **Buyiswa Ndyenga**, receiving her awards for 2015 Top Entrepreneur: Export Category; Overall Winner, Provincial Top Entrepreneur: Export and Overall Winner at National Level.

Above right, **Bennet Malungane** accepted the Recognition Award on behalf of Mariveni Co-operative for their outstanding performance when awarded the National Productivity Award in 2016. This was on a Provincial and National Level.

Mayor Athol Trollip, Nelson Mandela Bay Municipality being thanked by **Gloria Weare** for his Welcoming Address to the delegates at the Summit. The Mayor thanked everyone for attending the summit in his city and was pleased to be a Bronze sponsor for this important conference because of the strategic importance of the citrus industry to the Eastern Province. He emphasized the need to improve the infrastructure to ensure that this valuable commodity reached the port in good condition! He also made mention of the good work the Citrus Academy is doing in encouraging the youth to enter the agricultural and the citrus industry in particular. ▶



Rufus Dreyer of The Co-op, sponsors of the Gala Dinner.

A REPORT OF THE SUMMIT

To make this, the second Citrus Growers' Association Citrus Summit the success that it was, the Summit Committee (see pic overleaf on page 32) had been hard at work since August 2016, approaching sponsors, working out a budget, getting items together for the delegate bags, designing banners, engaging with speakers both local and overseas, compiling the Handbook and Programme, preparing for the registrations on the CGA website, and from January 2017 working flat out with the registrations, invoicing, queries, travel bookings, hotel accommodation, advertisements, promotions, set up of the venue, meals, décor and all the myriad details that go into putting a conference of this magnitude together.

550 delegates registered for the Summit, 49 delegates enjoyed the very informative pre-Summit Study Tour and 450 delegates attended the Gala Dinner. There were many late enquiries but by that time the seating in the venue was filled to capacity. Perhaps in 2019 people wanting to attend will register early!

According to feedback from delegates at the time, the Summit was a resounding success overall. The range of speakers covered all angles of the citrus industry along the



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Reconnecting our Food Systems to our Ecosystems



Inge Kotze, left, is the Senior Manager for Sustainable Agriculture at WWF-SA. As a speaker at the CGA Citrus Summit (8th and 9th March 2017 in Port Elizabeth) Inge provided some perspective of how challenges facing the global food system are directly linked to and contribute to the health of ecosystems, and how agricultural business 'can be caught in the crossfire'. The need to recognize and manage these food- and ecosystems systems together, rather than separately, has never been more apparent.

The facts speak for themselves as a basis for why global agricultural needs to be serious about finding sustainable ways of feeding a growing global population (approx. 9 billion by 2050):

- The food footprint is the leading driver of land transformation, land degradation and biodiversity loss.
- The largest user of freshwater resources (2/3rds of water used).
- A Greenhouse Gas (GHG) contributor. 25-30% contribution to GHG from land conversion, fuel, energy, electricity, agrochemicals and livestock.
- And, over the last 150 years half of all topsoil has been lost.

Here in South Africa, only 3% of land is considered truly fertile soil, and only 13% is good for cultivation. 69% is good for grazing but only 1% has the right climate and soil combination for rain-fed crops. The point is that we have very limited

resources and we need to protect them.

Did you know that 50% of the water resource is produced on only 8% of the land surface in SA? This statistic is particularly relevant as major citrus growing regions fall within the large water schemes that depend on these catchments.

Inge went on to explain why and how deliberate management of natural resources can help businesses to become more sustainable. Put briefly, better stewardship of natural resources allows business to tackle key risks they face and therefore to become more resilient to environmental and other shocks.

So what are these key risks?

- **Changing climate:** Increased uncertainty and unpredictability: This is in terms of seasonality, temperatures, and weather patterns (drought, hail, wind, floods). One can think of cases of each



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The Registration Team from left to right: Faisal Asmal, Thembeke Meyiwa, Belinda Goosen, Portia Gasa, Robert Miller, Keziah Naidoo, Rauff Dawood with Gloria Weare.



of these phenomenon impacting on the citrus industry in extreme ways over the last three years.

- **Pest and diseases pressure:** Combined with changing climatic factors, the pest and disease pressures can also potentially shift. This is particularly relevant where the ability for business to access markets is often determined by the pest and disease burden and ability to manage these production and operational realities.
 - **Resource Scarcity:** Businesses face increased physical and economic scarcity – what is impacting your ability to grow in terms of land, water and energy scarcity?
 - **Regulatory risk:** policy uncertainty is also prevalent and may have significant consequences for business development (think land, water allocation, carbon tax, etc.) which emphasise the need to monitor, verify use and follow due diligence.
 - **Water quality:** Most of SA's citrus is produced from irrigation schemes. The reality is water in these catchments many miles away is being demanded by other industries and for other uses. What threats and requirements are they placing on water supply and use?
 - **Pollinators:** Although less important for citrus, pollinators play a huge role in the fruit sector and are under threat.
 - **Increase risk of and impact from wildfires:** Recent fires in the Western Cape illustrate the need for proper fire management strategies and the need for alien invasive species control.
- Reading through these risks and how they threatened business sustainability it become more apparent that it makes good business sense to be more mindful and measured on how to address these risks.
- At the CGA office growers and packhouse managers have raised the need for ongoing engagement with retailers around the problems retailer requirements for residues introduce. The reality is these buyer requirements are often divorced from the ability to truly create

sustainable business that are working with nature rather than against it. Consider the risk that retailer requirements present around resistance to key post-harvest treatments, and in turn the massive potential for huge post-harvest waste. In this sense it is also noted that many retailers are looking to introduce environmental standards as part of their supplier agreements.

SIZA and WWF working together

This is where the Sustainability Initiative of South Africa (SIZA) comes in with tools that can assist producers to begin working through a process of identifying the key issues they face and what possible interventions and strategies to implement to limit the impact of those threats, or to take advantage of key opportunities.

WWF-SA, Fruit South Africa and SIZA have been working on tools and resources that can be rolled out over the course of 2017 for producers to adopt and use. Inge told the Summit that the purpose is to provide “a one-stop shop for legal compliance requirements and better production guidelines, step wise tracking for improvements”. It is a proactive approach and the tools are voluntary.

On the basis of grower participation the opportunity exists for the citrus industry to team up with WWF-SA to engage with retailers with a different positive message about how sustainable production and export can take place. It closes down the prospect of multiple audits and checks but each different retailer. Therefore growers are urged to look out for developments and notices from SIZA and CGA regarding the available tools and ways to engage in the process.

CGA appreciates Inge sharing these thoughts with the citrus industry at the Summit, and for WWF-SA team working with the fruit sector to come up with proactive, sector specific solutions that have the potential to make a lasting difference.

theme for the Summit – Plan to Succeed; Lead to Inspire. We are very grateful to these speakers who accepted the invitation to speak and gave of their time and tremendous well of knowledge in their own fields.

We thank our sponsors most sincerely as without them the Summit could not have happened. Once again our Platinum sponsor was Standard Bank. Thanks to Keneilwe and her team. Gold Sponsor (Gala Dinner) was The Co-op, with Villa Crop, (Welcome Dinner) Silver sponsor and Sunkist, also Silver, sponsoring the Study Tour.

PPECB, Mpact, Capespan, JB Technologies, River Bioscience/Xsit and Nelson Mandela Bay Municipality made up the Bronze sponsors. Jannie Spangenberg, former CGA Director for N Cape donated 90 bottles of exquisite wines from the Orange River Cellars.

Thank you all for your generous funding of this event – hopefully the exposure and networking opportunities were to your satisfaction.

PWC, Felco and Ethekweni Cold Stores contributed towards the contents of the Delegate Bags, and Seven Seas, SRCC and Citrusrand sponsored Citrus Academy Students. Many thanks, we will be contacting you again soon!

A questionnaire has been sent out to all who attended the Summit asking for feedback. The general overall response has been overwhelmingly positive. Thank you to those who took the time to respond and for those few who were dissatisfied in any way, apologies, we will strive to do better next time.

GLORIA WEARE