



ANNUAL REPORT 2020/21





Fruit South Africa (Fruit SA) is a non-profit company and an umbrella body for different fresh fruit associations in SA, namely Berries ZA, Fresh Produce Exporters' Forum (FPEF), HORTGRO (representing the pome and stone fruit industries), Subtrop (representing the avocado, litchi and mango growers), the South African Table Grape Industry (SATI) and the Citrus Growers' Association of Southern Africa (CGA).

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VISION

Fruit SA strives for a competitive, equitable and sustainable South African fruit industry.



MISSION

Fruit SA represents its members in providing advocacy and value added services on key industry related matters, i.e. transformation, market access, government relations and information management and communication.



STRATEGIC OBJECTIVES

To:

- establish Fruit SA as the collective platform for the South African fresh fruit industry
- engage constructively with government and other public institutions on policy, legislation and other fruit industry matters
- engage constructively with other strategic stakeholders
- promote and coordinate Broad-Based Black Economic Empowerment (BBBEE), transformation and skills development and training
- gather and disseminate key industry related information
- communicate industry information to the broader public and industry stakeholders.



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EXECUTIVE SUMMARY



This report presents an overview of the activities of Fruit SA for the period April 2020 to March 2021. It kicks off with the chairman's and CEO's reports, followed by the highlights in the performance of the organisation. The report concludes with an abridged income statement for an overview of the organisation's finances.

During the period under review, the industry operated amidst widespread uncertainty brought about by the outbreak of COVID-19. But overall, the industry performed relatively well with growth in exports recorded for citrus and deciduous fruit.

Fruit SA also welcomed Berries ZA as a new member, which grew the board directorship to eight; appointed a new CEO, Fhumulani Ratshitanga in June 2020 (following Dr Konanani Liphadzi's resignation in March 2020); and the board held three board meetings and a strategic review session.

Generally, the various Fruit SA programmes performed well during this period.

There was steady progress in transformation by Fruit SA member associations, and the total area under fruit production by black people reached 17 469 ha at the end of 2020. A transformation review giving an account of members' activities in 2019, was also published.

The market access programme continued despite being severely affected by travel bans related to

the COVID-19 pandemic. Scheduled inward bound verification visits for market access applications by trading partners as well as industry market development missions to target markets, could not be undertaken. However, the eventual signing of the protocol for citrus to the Philippines was a significant development.

Engagements between industry and government continued on pertinent matters, in a quest to strengthen this critical partnership. In addition to bilateral engagements, Fruit SA participated in platforms such as the Fruit Industry Value Chain Round Table, the CEO Forum and Agricultural Trade Forum.

The information management and communication portfolio of work also progressed well, and stakeholders were kept informed of the activities and developments of the organisation through various channels, the newsletter and social media. The Phytclean/eCertification project also registered good progress and proved invaluable, as SA was able to electronically transfer phytosanitary certificates to trading partners.

Other stakeholder engagements also remained firmly on the Fruit SA radar. The organisation participated in events of Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE), Agri Sector Unity Forum (ASUF) as well as career fairs. However, participation in international trade fairs was also a casualty of pandemic related travel bans.





CHAIRMAN'S REPORT

Justin Chadwick
Chairman

This report reflects on Fruit SA's activities from April 2020 to March 2021. The outbreak of the COVID-19 pandemic in late 2019 ushered in widespread uncertainty in SA and the world. It has certainly upended human life.

In the uncertainty that followed the pandemic outbreak, the fruit industry proved exceptionally resilient. In fact, President Cyril Ramaphosa lauded the industry during the 2021 State of the Nation Address: "In 2020, we [South Africa] became the world's second-largest exporter of citrus, with strong export growth in wine, maize, nuts, deciduous fruit and sugar cane."

But the industry market access programme was negatively affected by restrictions in incoming and outbound travel after the March 2020 lockdown. The pace of the global vaccination programme roll-out is therefore critical in determining how soon we all return to normalcy.

During the period under review, Berries ZA joined Fruit SA, bringing our member count to six. This is an important development which we welcome, as it stands to strengthen the industry further.

The Fruit SA board also grew from seven to eight directors, thus bringing much needed diversity and agility. In order to remain competitive globally the fruit industry needs to have the right programmes and processes in place. PhytClean and eCertification have continued to serve the industry well, whilst the Fruit Desk at Agbiz maintained delivery of advocacy services around policy and legislation and other relevant fields of influence. The fruit industry transformation portfolio has also gained momentum, delivering considerable output to date, and will strive to improve and expand on this into the future.

In June 2020, we appointed Fhumulani Ratshitanga as Chief Executive Officer (CEO) of Fruit SA after bidding farewell to Dr Konanani Liphadzi at the end of the previous financial year. Dr Liphadzi was the organisation's first fulltime CEO. I thank Fhumulani and all staff for their continued loyalty to Fruit SA.

Lastly, I would like to thank my board colleagues for their unmatched dedication and commitment in the affairs of Fruit SA. Together, we can build an unrivalled fruit industry synonymous with quality, excellence and reliability.





CEO'S REPORT

Fhumulani Ratshitanga
Chief Executive Officer

The organisation has continued to show positive growth, focusing on the four key priority areas of transformation, market access, government relations, and information management and communication. Steady progress was recorded in most of these areas.

In keeping with its transformation strategy, which is intended to achieve greater equity and inclusivity in the fruit industry, and to contribute to the country's transformation agenda, the Transformation Review was published to report on Fruit SA members' transformation efforts and achievements in 2019.

The total hectares of fruit production by previously disadvantaged groups grew from 14 446 in 2019 to 17 480 in 2020. A particular challenge in this regard is that relative to other types of agricultural ventures, the fruit industry is particularly capital-intensive and only yields dividends over the long term. But working together with government and other role-players, the industry hopes to continue to build on milestones already recorded.

As for market access, it is a vital strategic focus of the fruit industry – without the export revenue generated through trade within international markets there would be no local fruit industry and no notable growth, inclusive or otherwise.

During the period under review, Fruit SA continued to pursue speedy responses regarding progress on pending matters in the market access programme. In this vein, the protocol for citrus to the Philippines was signed – a significant achievement that followed many years of negotiations.

But like most industries around the globe, the fruit industry was severely impacted by the outbreak of the COVID-19 pandemic.

Owing to travel bans, market access and development missions to relevant target markets in Asia have been suspended until international travel is deemed safe for us and our trading partners, who must undertake verification visits to SA shores.

A perennial challenge with regard to market access is that negotiations are protracted over many years, which requires patience and substantial resources. Government support in this regard remains critical, as the industry's expansion and opening of new markets need to be synchronised.

Ongoing robust collaboration will enable the various industry role-players to achieve collective growth sooner, and more substantially. In this regard, the fruit industry values its relationship with government, particularly the Department of Agriculture, Land Reform and Rural Development (DALRRD). This partnership is characterised by continued collaboration with government in areas such as the Fruit Industry Value Chain Round Table (FIVCRT).

PhytClean and eCertification have been invaluable to the industry since their introduction to Fruit SA in 2017 and 2018, respectively. These IT platforms that manage phytosanitary certification were true game-changers when SA was able to electronically transfer phytosanitary certificates and related information to trading partners amidst the COVID-19 travel bans.

Finally, I would like to thank Fruit SA Board Chairman Mr Justin Chadwick for his support and guidance, as well as the rest of the board members for their support and leadership. I also extend my gratitude to former CEO Dr Liphadzi for laying a solid foundation within the organisation, and the Fruit SA staff and the IT Steering Committee for their contribution and dedication.





GOVERNANCE

The board of directors comprises representatives of member associations and independent directors.

The two independent directors are Ms Vangile Titi-Msumza (Vice Chairperson) and Dr Nompumelelo Obokoh.

Directors from member associations are Mr Anton Kruger (FPEF), Mr Anton Rabe (Hortgro), Mr Derek Donkin (Subtrop), Chairperson Mr Justin Chadwick (CGA), Mr Justin Mudge (Berries ZA) and Mr Willem Bestbier (SATI) who will be leaving the industry at the end of 2021. Mr Mudge was appointed in January 2021, after Berries ZA had joined Fruit SA in December 2020.

A total of three board meetings and an annual general meeting were held during the period under review.

A strategic review session also took place in December 2020.

TRANSFORMATION

Fruit SA members have dedicated capacity to address transformation. The FPEF, SATI and Subtrop have full-time transformation managers/coordinators within their structures. Transformation in the citrus, and pome and stone fruit industries is addressed through independent not-for-profit companies (i.e. the Citrus Academy, CGA Grower Development Company and the Deciduous Fruit Development Chamber) established and funded by CGA and Hortgro, respectively. While implementation of transformation actions is the responsibility of member associations, Fruit SA is tasked with monitoring and reporting on such actions.

Initiatives consist of a variety of services or support, including provision of financial support (loans and grants for farmers), enterprise development, bursaries, training courses, internships, extension services, study tours and mentorships. The industry partners with government and other role-players to implement some of these initiatives.

A review summarising Fruit SA members' transformation programmes and achievements in 2019 was published in 2020.

Positive results have been recorded for the industry to build on, in pursuit of its goal of establishing a fully transformed industry, with black people participating equitably across the entire fruit industry value chain by 2038.

Some cumulative achievements as at the end of 2020 can be highlighted as follows:

R23.2 m

- a. The Citrus Academy Bursary Fund had awarded bursaries to the total value of R23.2 million to 306 beneficiaries; 78% of the beneficiaries are previously disadvantaged individuals (PDIs) and 54% are female. Graduates working in the citrus industry (including in management positions) reached 83, and an additional 64 work in the broader agricultural sector, government departments and academia.

9 369ha

- b. The total hectares under black citrus ownership clocked 9 369, and 73% of the 105 black citrus farmers are exporting.

R120m

- c. Three hundred and ten hectares were planted, and 188 permanent, 849 seasonal and 630 short-term jobs had been created by October 2020 through the DFDC Commercialisation Programme (a R120 million (target) project involving the Jobs Fund, the Western Cape Department of Agriculture and Hortgro). The programme invested funds into 21 back-owned businesses in the Western and Eastern Cape to commercialise them.

R144.1 m

- d. Up until December 2020, the Hortfin Board had approved applications to the value of R144.1 million; and 26 permanent jobs and 283 new permanent seasonal jobs were created as a result of this support. Hortfin, a ring-fenced debt facility valued at R600 million, is a joint initiative between Hortgro, SATI, Wine TU, the Jobs Fund, and the Land Bank.

88%

- e. By the end of 2020 88% of the 27 interns appointed through the FPEF Graduate Internship Programme had received permanent employment in the industry. This initiative aims to facilitate the entry of high calibre tertiary graduates into core roles within fruit export companies in SA, in order to advance transformation in the industry.

2 134.74ha

- f. SATI has a total of 34 BBBEE initiatives, with these growers producing on 2 134.74 ha of agricultural land.

1 238ha

- g. The Subtrop member associations comprise the South African Avocado Growers Association, South African Mango Growers Association and the South African Litchi Growers Association. Collectively, their number of registered black grower members totalled 201 in 2020; and these growers planted 1 238 ha for the same period.

Overall, the BEE area under fruit production was 17 480 ha at the end of 2020.

Through the FIVCRT's Transformation Working Group, the industry's transformation entities, managers and coordinators continued to exchange lessons and ideas to strengthen this portfolio of work. This working group has therefore, become a critical platform to enhance and showcase the industry's efforts regarding transformation.





MARKET ACCESS

Dr Mono Mashaba
Specialist Consultant: Market Development

The onset of the COVID-19 pandemic hampered the momentum established within Fruit SA's market access agenda in previous years.

Notably, there was a plan developed towards the end of 2019, which would have seen visits by Minister Didiza and the fruit industry during 2020 to most of the countries prioritised by Fruit SA for market access. But implementation was prevented by the COVID-19 pandemic.

This was a significant setback that dashed industry hopes for 2020. The pandemic was also the Achilles heel regarding verification missions in SA to be conducted towards the conclusion of market access negotiations.

Nonetheless, engagements at the FIVCRT and other forums continued to gain momentum and are making good progress. Collaboration with DALRRD, the Department of International Relations and Cooperation (DIRCO) and the Department of Trade,

Industry and Competition (dtic) to ensure efficiency in market access negotiations was also maintained. It is a critical strategic focus that demands ongoing review and objectivity.

Fruit SA seeks to continue to build on the momentum created by President Ramaphosa's administration, and to continue implementation of its Grow, Retain, Optimise (GRO) strategy with requisite urgency. The industry projects annual output growth of about 8%, which will come with additional fruit that will require access to new markets.

That said, there is mounting concern in the fruit industry around market access constraints introduced by importing countries, in the form of non-tariff barriers. This adds to exporting countries' cost of doing business. According to SHAFTE, SA exports to the targeted new Asian markets have followed a modest upward trend, averaging 8% per annum in the past two years.

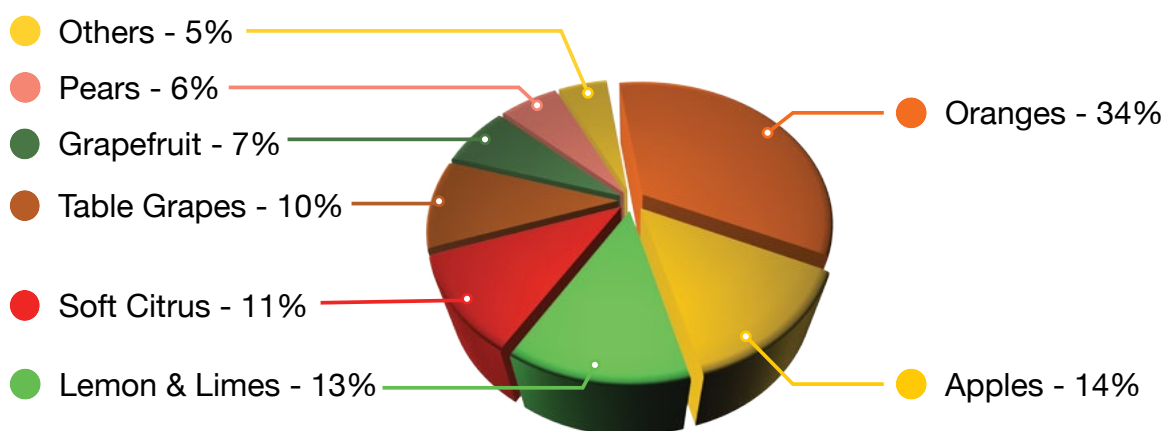
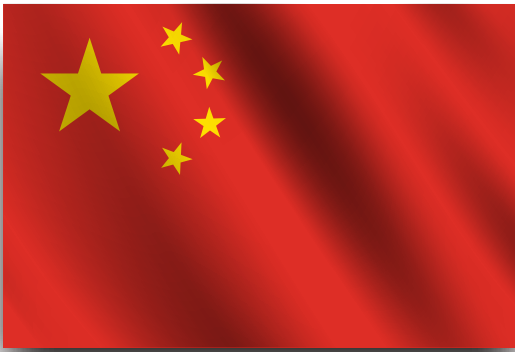


Figure 1: Composition of South African fruit exports in terms of the major fruit types

Urgency to access new markets is mounting.





China

The pear and revised lemon cold treatment protocols that were finalised in 2019/20 are awaiting signature by the relevant ministers. Sadly, signing of these protocols was again postponed during November 2020 due to administrative mishaps. Nevertheless, engagements are ongoing, to ensure that Minister Didiza and Minister Ni of the General Administration of Customs of China (GACC) sign the protocols virtually, to accommodate current COVID-19 related travel constraints.

Market access negotiations for South African avocados have gained impetus since November 2019 and will hopefully be concluded in 2021/22. Fruit SA's focus in 2021/22 will be to drive expedition of these negotiations, so that work on stone fruit and other fruit types can begin.

2018 China Fruit Imports by Value Country, Percentage of total

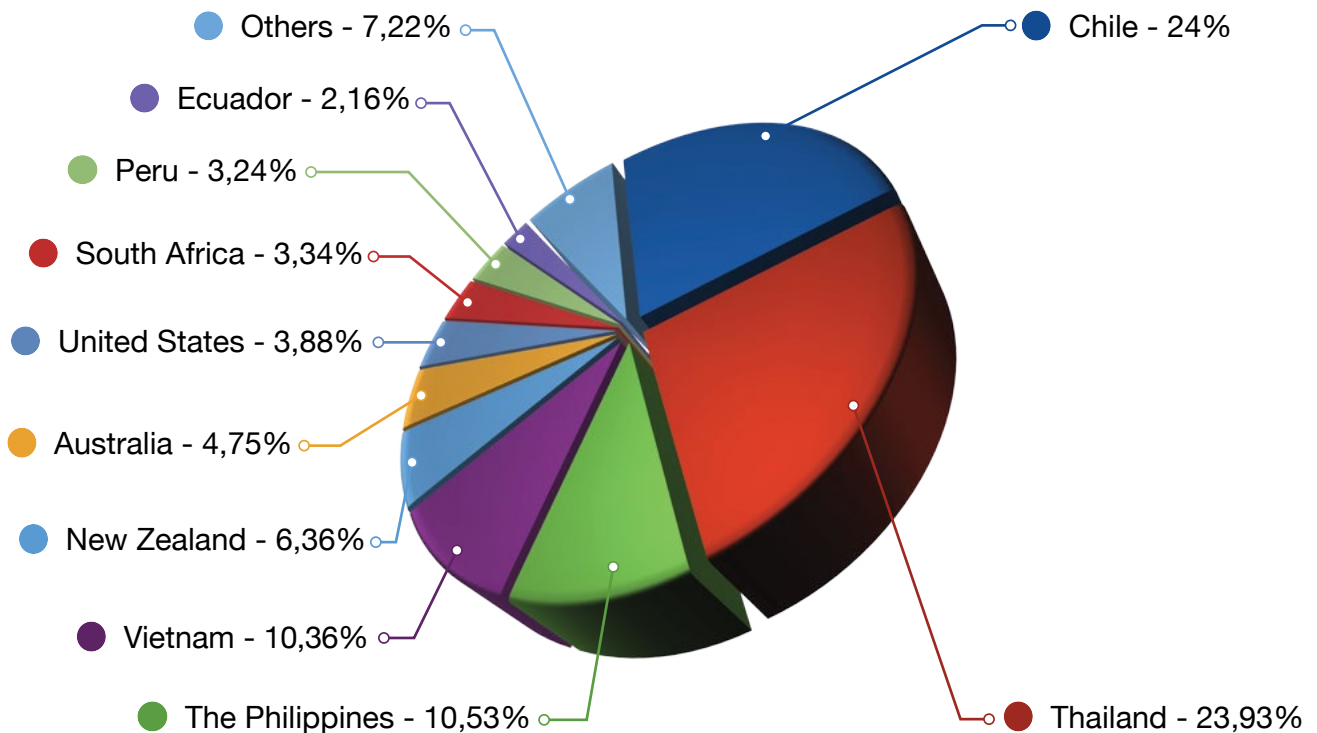


Figure 2: China's per country imports, by value

From figure 2 above it is clear that SA's exports to China are at the low end, with large scope for growth. With the outstanding list of market access priorities that include stone fruit, subtropical fruits, cherries and berries, a lot of work remains to be done. Going forward, multiple product market access strategies will be pursued with DALRRD to fast-track the process.



India

Fruit SA continued to hold high-level engagements with the Ministry of Agriculture and Farmers Welfare (MAFW) in India to discuss market access for South African fruit. Focus was on the conclusion of in-transit cold treatment trials for apples, pears and citrus, and the avocado and litchi market access applications. The MAFW was satisfied with the outcome of in-transit cold treatment for citrus and pome fruit. However, these matters are still pending despite their undertakings to conclude them during the past three years. Fruit SA continues focused liaison with the SA High Commission in India for the conclusion of this matter. In addition, a verification visit for avocados and litchis, which was postponed to 2020 in 2019, was also disrupted by COVID-19.



Japan

A verification process was initiated with a view to concluding the protocol for export of avocados during the 2020 avocado season. However, the verification visit by the Ministry of Agriculture, Forestry and Fisheries (MAFF) to the facility where the cold treatment experiment was undertaken, was curtailed by the COVID-19 pandemic. Follow-ups are being done to ensure that the visit is prioritised.

Follow-up application for optimisation of market access for citrus was also submitted and undertakings were made to submit an application for table grapes as soon as technical work has been finalised, and supporting data on cold treatment against fruit fly is

gathered. Progress on the citrus application has not been made to date since the MAFF have committed to only deal with one product at a time (though they have indicated willingness to consider multiple product application processing once DALRRD has addressed Japan's own market access requests into SA). The matter has been raised with DALRRD and they have undertaken to address these concerns.



Philippines

The citrus protocol was concluded and signed during October 2020, and the first shipment of South African citrus fruit to the Philippines is expected during the 2021 season.

Good progress has been made on the market access application for table grapes. However, the Philippines Bureau of Plant Inspection could not undertake a verification visit to SA during the 2020 table grape season due to international travel disruptions related to COVID-19. If all goes according to plan, this process and the finalisation of the protocol should be concluded during the 2021/22 season.



South Korea

Technical data required by the Korean Administration for Plant Quarantine Agency (APQA) for the table grapes market access was submitted during 2020. The fruit industry is confident that APQA will conduct a verification visit to finalise the final table grapes protocol during the 2021/22 season so that work for market access of avocados will start in earnest.





Thailand

The Thai authorities' commitment to conduct a ministerial visit to SA to conclude protocols for apples and other products could not be fulfilled during 2020 due to COVID-19. DALRRD has initiated a virtual bilateral meeting with the Thai Department of Agriculture during 2021, to ensure the conclusion of the pest risk analysis (PRA) and protocol for apples. In the course of 2021 Fruit SA will continue to lobby for this meeting through engagements with DALRRD and the SA embassy in Bangkok.



Vietnam

The imposition of non-tariff barriers in Vietnam has resulted in renegotiation for market access of all fruits going into the country. Market access negotiations for oranges did take place. And the Vietnamese Plant Protection Department (PPD) committed to conducting a verification visit for oranges during June 2020, which was postponed due to COVID-19 international travel disruptions. And even though the PRA for oranges has not been concluded, the industry remains hopeful that the planned verification visit will provide a perfect platform for finalisation. The 2021 citrus season will become a strong focus once COVID-19 conditions are conducive to PPD experts' safe travel, to conduct a verification visit. Fruit SA will ensure that the PPD follows through on its commitment to speed up the process for the conclusion of the orange protocol during 2021, depending on developments pertaining to COVID-19.



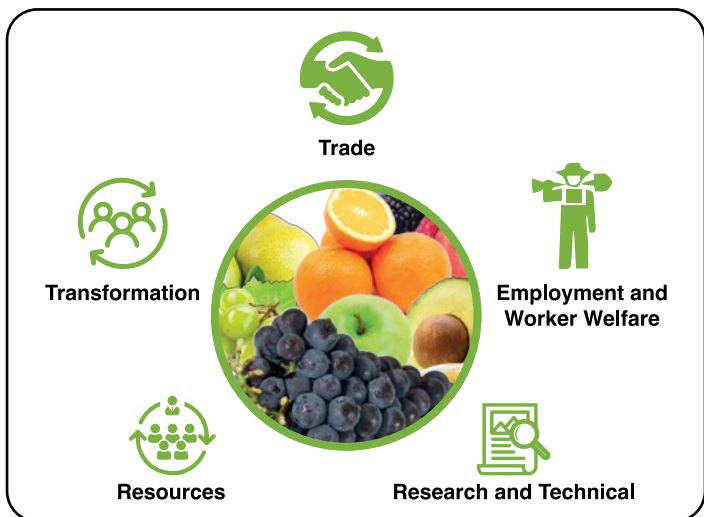
United States

Follow-ups were made with DALRRD on the revision of the cold treatment protocol, market access for avocados, wider market access for citrus and cold treatment protocol for litchis. Due to the prevailing political trade environment in the US during the review period, no meaningful progress was made to conclude these matters timeously. Persistent lobbying by Fruit SA for DALRRD to engage the US Department of Agriculture (USDA) at political level led to the establishment of a task force comprising technical officials from the DALRRD and US Embassy in Pretoria to address these matters during 2020. The industry anticipates good traction for these matters, since the task team is focused on the resolution of all obstacles that hinder successful conclusion of negotiations, and reports directly to the DALRRD Minister and the US Ambassador in Pretoria.



GOVERNMENT RELATIONS

Fruit SA greatly values its partnership with government and maintains effective communication through various platforms. During the period under review, the fruit industry engaged with government on several matters through bilateral meetings with officials and various other structures. Some of the highlights appear below.

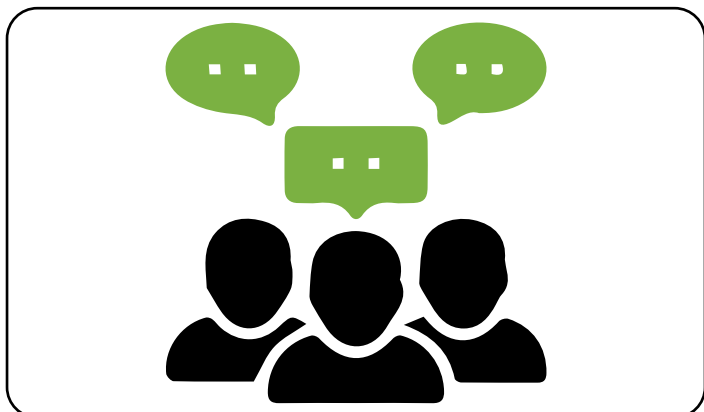


The Fruit Industry Value Chain Round Table

Fruit SA continued to participate in the activities of the FIVCRT and its various working groups (transformation, trade, employment and worker welfare, resources, and research and technical). This multi-stakeholder platform involving the fresh fruit industry, government, labour and civil society seeks to address issues of mutual concern. Now fully established, the working groups are forging ahead in the implementation of their activities, except the Resources Working Group that deals with cross-cutting issues and requires active participation of the relevant government departments.

World Food Day

Fruit SA was amongst the organisations that annually partner with DALRRD in the commemoration of World Food Day on 16 October, by donating food items to identified poor households in the communities where the event is held. The commemoration is aimed at raising awareness on issues around poverty and hunger, and the department organises public awareness campaigns that support the National Programme for Food and Nutrition Security. In 2020 Fruit SA donated food items to the value of R20 000.00 towards this initiative, benefitting vulnerable households in Sokhulumi Village in Bronkhorspruit.



Participation and representation in government forums

During the period under review Fruit SA participated in various government forums, including the CEO Steering Committee, Limpopo Department of Agriculture's Revitalisation of Agriculture and Agroprocessing Plan Task Team, Agri-BEE Charter Council and the Agriculture Trade Forum.

INFORMATION MANAGEMENT AND COMMUNICATION



Information management

A fruit industry statistics booklet for the 2018/19 fruit season was published. The booklet provides detail on the area under fruit production, total production, distribution across various market segments, historical price trends, and SA's position in world fruit production and in the southern hemisphere.



Communication

Fruit SA continued to share relevant information with stakeholders through its bimonthly newsletter, social media and website.

PORTS AND LOGISTICS CHALLENGES

The importance of ports and logistics efficiencies for the fruit industry cannot be overemphasised, and the period under review was not without challenges in this regard. Challenges encountered were congestion at ports, shortage of reefer containers and constrained capacity.

The reduction of Transnet staffing levels at ports following the outbreak of COVID-19 added to the capacity constraints. Towards the peak of the pome, stone and table grape export season in

early March 2021, the fruit export supply chain was severely constrained at the Cape Town Port. This also impacted on many cold storage and packhouse facilities. There were also reports of shipping lines bypassing Cape Town.

Fruit SA continued circulating its daily port updates to keep industry stakeholders informed and together with members, continued to engage weekly with Transnet. Members also engaged individually with port authorities and relevant national and provincial authorities.





PHYTCLEAN AND E-CERTIFICATION

Sean Hay

eCertification Project General Manager

In March 2018 DALRRD appointed Fruit SA to build an eCertification platform. This was done through a Service Level Agreement (SLA) that was the expansion of the services to DALRRD beyond managing the PhytClean platform (an IT platform for managing Food Business Operator and orchard-level compliance for phytosanitary certification).

2018 eCERTIFICATION History:

Project kicked off in 2018, an IT team was formed, and office space secured in Hillcrest, Durban.

Mid-2018:

momentum picked up quickly with visits by a Dutch and Kenyan delegation (June 2018), wider stakeholder engagement to determine needs in a paperless environment (July 2018 onwards), and a visit to the Netherlands by key members of the IT team and DALRRD officials to observe first-hand the Dutch approach to certification (September 2018).

November 2018:

a 12-month project development plan was set out for specific deliverables, broken down into modules. These modules were then rolled out over the course of the project.

2019

1 November 2019:

eCert went live with the table grape industry.

2020

1 April 2020:

eCert went live with all agricultural products: fruit, tobacco, grain, timber.

1 August 2020:

tracking unit register (TUR) version 1 went live.

1 September 2020:

eInspect for table grapes went live.

1 December 2020:

new system configuration hierarchy to allow for better management of all agricultural products, e.g. proteas and pears have the same code.

2021

January 2021:

GPS Temperature Data logger went live.



Critical goals and success factors



Go paperless



Electronic proof of compliance



Electronic certification results



Electronic inspection results



Detect issues sooner with pre-verification processes



Increase efficiency throughout the process



Increase application processing efficiency through systems



Resource management through electronic inspection booking



Real-time reports including electronic billing reporting



Passing of phytosanitary data to the International Plant Protection Convention (IPPC) Hub (export)



Pulling of phytosanitary data from the IPPC Hub (import)



Provide data to stakeholders for further processing, calculation and forecasting





eCert module

As indicated on the chronology, eCert went live in 2019 with the table grape industry. Phytosanitary applications were made possible via a web wizard and APIs for vendor systems to integrate into. Inspectors would then review and reject or approve applications and then print the phytosanitary certificate. Within the “COVID era” this became paperless, allowing users to buy bulk quantities of phytosanitary security paper, and to print their approved certificates themselves. The next stage from 1 April 2021 will be a completely paperless environment where users can start printing on regular A4 paper if needed, with verification via barcode scanning to check the validity of the certificate. At the end of March 2021 there were 234 920 approved phytosanitary certificates.

User Authentication System (UAS)

The user authentication module is where users register and their login credentials are checked each time, to verify eligibility of the user’s country. The UAS also verifies information against the Department of Home Affairs database.

Central Business Register (CBR)

This module tackles the need to properly link individuals and businesses who will interact with the systems, allowing them to perform relevant functions based on profiles and user permissions. The CBR differs from the Food Business Operator (FBO) database, which proved inadequate in terms of eCertification objectives.

Rules Engine (agreements, requirements and safeguards)

This module manages the relevant rules for when a particular product is exported to a particular destination. Each requirement is configured according to the agreement, product and destination. The safeguard provides details on how to verify - electronically or otherwise - if the requirement has been successfully achieved, or does not allow for the phytosanitary application to be processed.



DALRRD inspectors’ productivity and efficiency will spike as a result of the rules engine that enables automatic checks and warnings, and it reduces the need for double-checking that applied in the manual approach to certification.

Trade Unit Register (TUR)

The TUR is the tracking of pallets (i.e. a packed, barcoded pallet), and is required for checking the details and status of trade units (e.g. pallets). Stakeholders can interrogate the TUR to determine whether pallets are inspected, approved, certified, etc. for a market. This also checks for irregularities such as duplicate pallets or duplicate pallet barcodes (GSCC1), and enables the system to pre-verify trade units prior to the products even leaving the packhouse.

- » In September 2020 a technical task team (TTT) was agreed on with PPECB and vendors, to move forward with a more integrated systems approach chaired by Sean Hay and Cyril Julius.
- » It was agreed that the TUR would become the single source of data between eCert (Fruit SA) and TITAN (PPECB).
- » Integration continues and the live date is planned for November 2021, for the table grape season – fully integrated with PPECB (TITAN).

eINSPECT

For DALRRD phytosanitary inspections, the scheduled live date is 1 April 2021, and will allow for the application and inspection of orchards. This will result in a paperless process and PQI books will no longer be used.

Across these solutions, high-level ongoing system integration is required as new system features become available, including working closely with PPECB and IT vendors. To support this, the team has established electronic standards for eCertification, which are published on the eCert website.

PHYTCLEAN

The use of PhytClean was significantly intensified as the Citrus False Codling Moth (FCM) Management System (FMS) was rolled out across the citrus industry in 2018. This was soon followed by implementation of management systems for various products and pests, and for other uses, including:

Application Programming Interface (APIs)

They are being refactored to be lighter and quicker, whilst the older APIs are being phased out. With eLot and TUR going live – which causes checkpoints at the packhouse level against TUR and PhytClean – it added strain on the platform. The development of lighter and quicker integration through the APIs is needed and will continue into the next year. Rate limits have also been applied and will continue to be applied in the next year, to limit vendor systems abusing the integration to our platforms.

Citrus 2020/21

All citrus season control points (activities) were rolled over to the new season and upgrades were done at the request of DALRRD, to improve the user experience.

Citrus FMS

The Citrus FMS was successfully used by the citrus industry for the 2019/20 export season. To retain the EU market, much better implementation of the FMS was critical for the 2020/21 export season. Various changes to the FMS have been introduced by DALRRD and CRI to check if stakeholders are applying the processes correctly. The expertise of the support team was invaluable in maintaining a good user experience, amidst the newly-introduced changes.

Citrus Fruit Fly Management System (FFMS)

The FFMS was also activated for the 2020/21 season.

Pomegranate FMS

The FMS was activated for the 2020/21 season.

Exporter, loading facility and freight forwarder registration

These registrations were migrated to a more paperless alternative to spare the user having to upload signed documents. Instead, they could electronically agree to undertakings to verify their information and statuses, which was a huge step forward. Another enhancement was the ability to save a registration for draft purposes whilst working on it, or to “lock” it and submit it once done. Going forward, these changes – which have now been approved by DALRRD – will be introduced in all registrations. And freight forwarders can now register using the citrus registration wizard, replacing the process of uploading a form. Now, loading facilities, which include cold stores and ambient facilities (dry storage), have to register on PhytClean as well as per the FMS.

Reports

Static Reports and Dynamic Reports were altered to show only registered product unit codes (PUCs).

EFSA reports

Data had to be collated for reports sent to the European Food Safety Authority.

Pomegranates food business operator (FBO) verified

This control point had to be added so that the Directorate Plant Health could verify PUCs from using the user interface (UI).

DIS eVerification (eInspect)

Due to the COVID-19 pandemic DALRRD officials will minimise onsite orchard verifications, as well as direct contact with documentation and clients. A new system has been put in place where users can upload the necessary documentation and details required by the officials. This will then be checked by the respective regional officers and feedback on the validity of these documents will be given to the main contact of the production units. Verification for the EU has been completed. Next, online verification for the South Korean market is going to be developed.

The PhytClean platform has also been adapted to allow for seamless integration with the eCertification tools, e.g. the UAS allows for a single user profile across both these platforms.



STAKEHOLDER ENGAGEMENTS AND PARTNERSHIPS

In addition to engagements with government, Fruit SA engages with stakeholders through various platforms, including bilaterally. Below are some highlights.

Agriculture Sector Unity Forum (ASUF)

The ASUF is a forum of organised agriculture. And as a member, Fruit SA continued to participate in various of their engagements throughout the year.

Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE)

Fruit SA is a member of SHAFFE, a trade association for fresh fruit exporting countries in the southern hemisphere. Through Fruit SA the interests of the South African fruit industry are represented within the southern hemisphere context. Mr Anton Kruger succeeded Dr Liphadzi as SHAFFE President until February 2021, following her departure from Fruit SA in March 2020. The organisation was also represented in several SHAFFE events during the year.

Career fairs

Career fairs align with the youth focus of the fruit industry and provide a conducive setting for engagement with students, briefing them on bursary and employment opportunities in the industry, and dispelling historical myths. In 2020 career fairs were done virtually and Fruit SA participated in two AgriCAREERConnect events at the universities of Pretoria and Stellenbosch.

International trade fairs

Annually, the fruit and vegetable industries converge in various cities to showcase their trade. The South African fresh fruit industry is amongst those who participate in the various trade fairs, and – importantly – represents the industry's interests. Participation in these events is funded by the industry itself, as well as the dtic. During the period under review, Fruit SA did not participate in any of the major trade fairs due to COVID-19 travel restrictions.

Seminars on the Competition Act amendments

Fruit SA and ENSafrica co-hosted a webinar in September 2020. Participants comprised mainly

individuals from export and logistics companies within the fruit industry. Presentations from ENSafrica covered competition law and key highlights and trends, prohibitions, and using competition law as a tool to transform the industry. It was noted that the Competition Commission intended to focus on the food and agro-processing sector as one of the priority sectors.

CCCFNA

In December 2020, Fruit SA signed a memorandum of understanding (MoU) with the China Chamber of Commerce of Import and Export of Foodstuffs and Native Produce (CCCFNA). The MoU seeks to promote cooperation and statistical information exchange between SA and the Chinese fresh fruit industries. It will enable Fruit SA and the CCCFNA to support trade visits between SA and China for the representatives of each association; cooperate in the areas of technology exchange; promote information exchange on matters of relevance such as statistics of fruit exports and imports between countries, changes in regulatory legislation and customs procedures; and support each other's publicity and promotional activities.

Fruit SA has appointed its CEO to be part of the working group/committee that will monitor the implementation of projects and issues arising from the MoU. The CEO will be assisted by Mr Justin Chadwick.



BOARD OF DIRECTORS



Willem Bestbier
South African Table Grape Industry



Justin Chadwick
CGA - Chairperson



Derek Donkin
Subtrop



Anton Kruger
Fresh Produce Exporters' Forum



Justin Mudge
Berries ZA



Dr Nompumelelo Obokoh
Independent

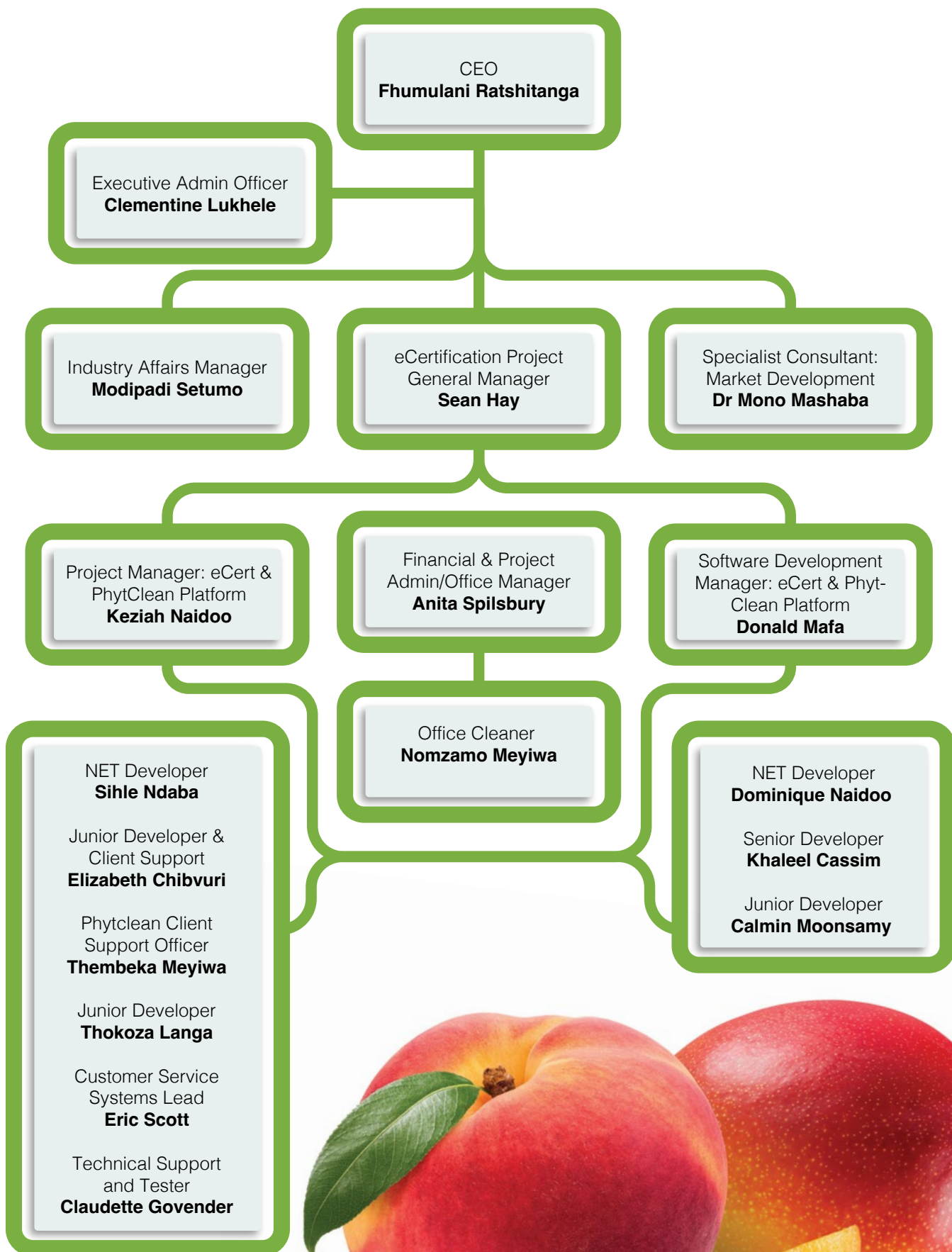


Anton Rabe
Hortgro



Vangile Titi-Msumza
Vice Chairperson, independent

ORGANOGRAM



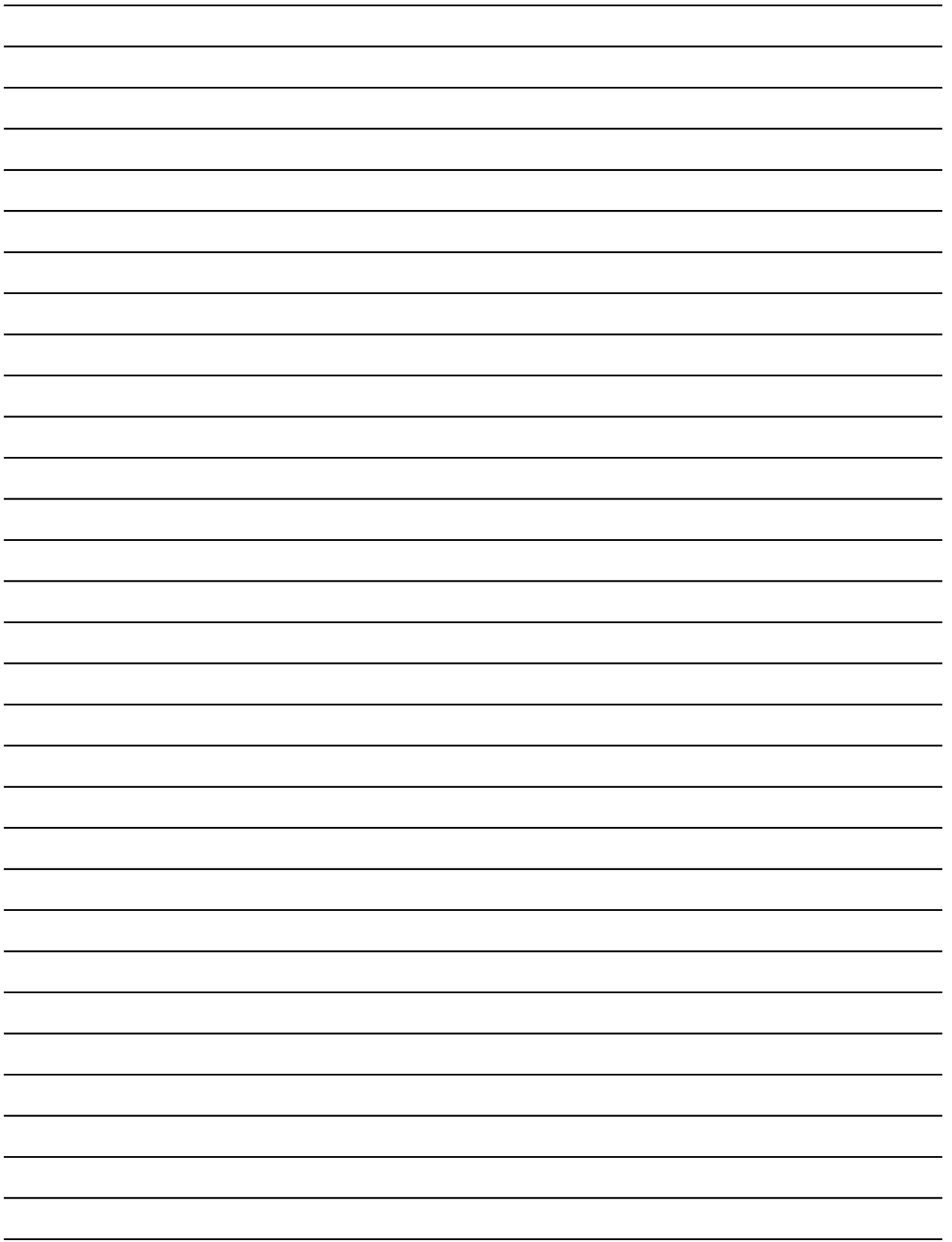
ABRIDGED INCOME STATEMENT

Figures in rands	2021	2020
Revenue		
Membership fees	6 051 895	5 535 220
DTI Export Council Grant	1 000 000	1 000 000
Other income		
Forex profit		
Interest received		
Other income	95 031	72 227
Profit on sale of assets		
World Food Day		15 000
Sustainability Initiative of SA (SIZA) Project		
Agbiz recoveries	1 693 088	1 254 682
Recoveries	134 703	1 663 915
	8 974 717	9 541 044
Operating expenses		
Accountant and Financial Management	166 079	129 378
Agricultural education and training		20 130
Assets < R7 000	3 923	5 266
Auditors' remuneration	18 928	19 646
Bank charges	15 478	17 508
Board member compensation	176 216	136 390
Contingency		2 746
Depreciation	53 305	57 662
FISC and FIVRT	13 410	183 186
Insurance	10 039	8 873
Forex loss		8 577
Loans written off	1 750	
Legal and other consultations	18 744	98 059
Market access	1 171 039	1 527 689
Marketing and communication	190 543	167 810
Meetings	7 400	138 511
Membership fees	153 833	132 462
Office expenses	121 102	112 691
Office rent	217 081	202 250
Agbiz reimbursable expenses	1 761 483	1 254 682
Other reimbursable expenses	171 828	1 663 915
Staff costs	2 106 470	2 950 493




Staff development	5 550	18 996
Travel and accommodation (domestic)	35 813	287 042
Travel and accommodation (international)		205 005
	6 420 014	9 348 967
Surplus/loss	2 554 704	192 077
Investment income	53 354	71 070
E-Certification project income	9 893 403	10 137 329
E-certification project expenses	-9 893 403	-10 137 329
Net surplus/loss for the year	2 608 057	263 147





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