

**HORTGRO**

Growing Fruit IQ





*home of the deciduous fruit grower*

## HORTGRO ANNUAL REVIEW

This report provides an overview of the range of functions and services delivered by HORTGRO and its related industry sub-structures throughout 2016.

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*tuiste van die sagtevrugte produsent*

## HORTGRO JAAROORSIG

Hierdie oorsig gee 'n blik op die reeks funksies en dienste wat deur HORTGRO en verwante bedryfs sub-strukture tydens 2016 gelewer is.



## *Note*

Weens koste en spasie beperkings is dit nie moontlik om die verslag in beide die twee hoof bedryfstale (Afrikaans en Engels) te publiseer nie. Ons het sover as moontlik probeer om die verslag tussen die twee tale, te balanseer. Indien daar 'n spesifieke gedeelte is wat u graag in die ander taal, of in meer detail wil sien, kontak ons gerus. Ons waardeer u begrip hiervoor.

Due to cost constraints, it is not possible to provide all of the content in both our operating languages (English and Afrikaans). We tried to balance the content as far as possible. Should you require a translation of a specific section in this report, or more detail on any aspect, please contact us. We appreciate your understanding in this matter.

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# BOARD OF DIRECTORS

1. NICHOLAS DICEY  
*Chairman*

2. ANTON RABE  
*Executive Director*

3. BONGIWE NJOBE

4. MONO MASHABA

5. ANDRÉ SMIT



# GENERAL REVIEW

*Anton Rabe*  
*Executive Director*

*We continue to take charge of our own  
destiny to ensure an enabling environment  
for our members.*

***Both the pome and stone fruit industries continue to grow and develop faster than projections.***

This despite challenging production and marketing conditions in recent years. Other challenges include an ongoing uneven international playing field, limited government support, continued policy and political uncertainty, rural economic stagnation, rising input costs, and a challenging labour regime.

Most of the industries served by HORTGRO were blessed with fair to good crops and income, while many other agri sectors were devastated by the country-wide drought. At the time of writing, early predictions of a La Niña cycle with higher rainfall, is rapidly receding. Let's hope that all regions will indeed experience an above average rainfall in 2017. The agri sector and government will also have to revisit water policies – especially those pertaining to dam sizes – to ensure that available water can be stored for more than one season.

As a deciduous fruit industry (DFI) we continue to take charge of our own destiny as we take on increasing responsibilities and functions to assist our members. We do this to help create an enabling environment within which investor confidence will be rewarded by long-term profitability and sustainability. Most of these functions and activities are housed and executed within HORTGRO and its sub-structures. However, where appropriate we collaborate with like-minded organisations to coordinate and prioritise activities to share costs and optimise the limited expertise and capacity available.

Hoewel in 'n nuwe en meer moderne formaat, gaan ons met dié 2016 jaaroorlog voort met die gebruik, soos ingestel sedert deregulering in 1997, om 'n opsomming van die diverse reeks aktiwiteite waarmee ons onself binne die groter HORTGRO-groep besig hou aan ons lede en ander belangegroepes weer te gee. Ons vertrou dat dit van groot waarde sal wees.

Meer detail word in ander dele van die verslag vervat. Dit is deurlopend duidelik dat beide kern- en steenvrugte, ondanks laer volumes by appels en appelkose, weer 'n bo-gemiddelde jaar beleef het. Die volumes van pere, pruime, perskes en nektariens, was weereens hoër as aanvanklik verwag. Dit ten spyte van 'n watertekort en hitte-toestande vir groot gedeeltes van die produksie siklus. Nog 'n taai produksie jaar word verwag, maar daar is afsonderlik en gesamentlik as 'n bedryf, baie geleer oor hoe om met minder water klaar te kom.

A very heartening development is the renewed growth experienced for our products in traditional markets (mainly United Kingdom and European Union). New markets such as the Middle and Far East also continue to grow. After exponential growth volumes in Africa were down in 2016 (especially for apples in Western Africa). This was mainly due to the drop in oil prices which reduced spending power. Nevertheless, ample opportunities still exist in Africa, including East Africa which will be developed based on an in-depth African market study co-funded by the National Agricultural Marketing Council (NAMC) and the citrus industry.

At this stage (November 2016) the crop outlook for both pome and stone fruit

look promising. Some concerns have been expressed regarding the availability of water in some production regions. Climatic risk conditions continue to increase. A partnership with government and the private sector will have to provide some remedy for the unaffordable high crop insurance rates. As well as for the inadequate and slow response relating to disaster (hail, floods, drought, fires) support, especially for new growers.



**A very heartening development is the renewed growth experienced for our products in traditional markets, mainly the United Kingdom and European Union. New markets such as the Middle and Far East also continue to grow.**

We have also continued with our participation within FruitSA (FSA) – as a fruit umbrella group – to focus on the range of complex national and international issues which need attention on a strategic level. Progress has been made on this front by the Fruit Industry Value Chain Round Table (FIVCRT) in union with the Department of Agriculture, Forestry and Fisheries (DAFF), other national departments (Labour, Land Reform, Trade and Industry), the Commission for Conciliation, Mediation and

Arbitration (CCMA), and labour. All working toward a Social Accord.

We have also participated in DAFF's *Operation Phakisa* to align resources and focus core priorities of the different social partners – as encapsulated in the National Development Plan (NDP), Agricultural Policy Action Plan (APAP), and the Fruit Industry Social Compact (FISC). HORTGRO continued its participation

within the Laborie Dialogue Initiative. This despite resistance from some quarters. The concept of Social Dialogue through which traditional adversaries can build personal trust relationships, and address shared challenges jointly also found some traction.

It is foreseen that various initiatives will ultimately continue, working towards a shared vision and social compact amongst stakeholders. These initiatives include a formal framework and social dialogue

## Statutory Levies 2015–16

platforms, through which multi-stakeholders can engage on national, provincial and regional level to address common rural challenges.

In 'n belangrike stap vorentoe, is dit verblydend dat SIZA (Sustainability Initiative of SA) ditself as 'n vrystaande regsenteit binne die breër nasionale landbou omgewing geherposisioneer het. 'n Meer verteenwoordigende direksie onder die leierskap van Nigel Mudge is ook nou in plek. Die lang verwagte elektroniese data-platvorm en geformaliseerde ooreenkomste met diensverskaffers dra grootliks tot 'n meer gestruktureerde en formele omgewing by. Stappe om 'n omgewingsmodule tot SIZA toe te voeg, sal vroeg in 2017 begin.

Other strategic issues that will receive attention in the coming year include:

- + **Transformation** – a new relationship with an operationally independent Deciduous Fruit Development Chamber
- + **Addressing the BEE profile of HORTGRO** management and staff, and representation on all levels in the industry
- + Participation in an NAMC process relating to a once off **transformation levy**
- + Continued focus on and an increased capacity for **communication**
- + Negotiation of **new fruit type agreements** for breeding with the ARC
- + Formalising mandates for **international cultivar acquisition**
- + **Plant improvement** and quality of nursery trees
- + **Independent cultivar and rootstock evaluation** on representative sites in different production regions
- + **Sustained focus on market intelligence** and information exchange within and around the industry
- + **Trade and market access initiatives** in prioritised new and existing markets
- + **Re-positioning** within agri related national structures
- + An **upsurge of external funding** to augment the limited statutory levy funding

### Domestic, Export and Imports Volumes for Fresh Fruits

**Apples (Fresh Fruit)**  
4 cents per kg

**Apple Concentrate**  
R7.40 per fresh ton

**Pears**  
4 cents per kg

**Apricots**  
16 cents per kg

**Nectarines/Peaches**  
10 cents per kg

**Plums**  
13,25 cents per kg

### Export Market Development

**Apples and Pears**  
2,8 cents per kilogram

**Apricots**  
10 cents per kilogram

**Nectarines/Peaches**  
20 cents per kilogram

**Plums**  
9,5 cents per kilogram

### Local Market Development

**Nectarines/Peaches**  
4 cents per kilogram

**Plums**  
1,9 cents per kilogram



# Deciduous Fruit Industry's Economic Impact

**R 10,48 billion**

*Total value of production*

**5,9 kilograms**

*Fresh per capita consumption*

**54 349 hectares**

*Total production area*

**60 900**

*Employed*

**1218**

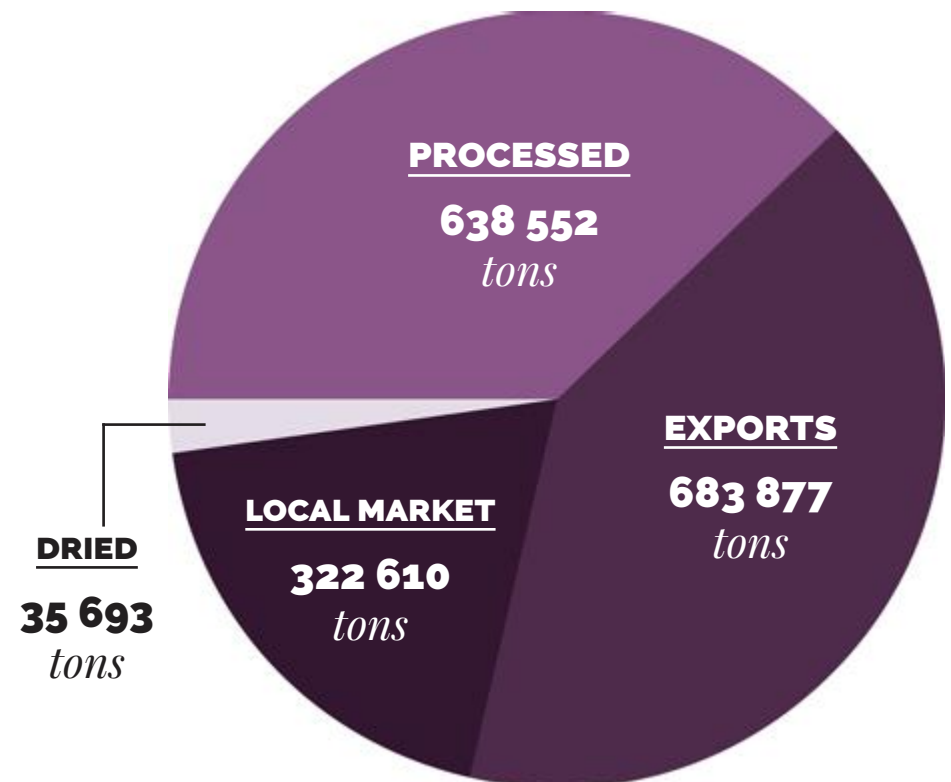
*Total producers*

**TOTAL TONS OF PRODUCTION**

**1 680 732**

**POME: 1 331 246 tons**

**STONE: 349 486 tons**





# **HORTGRO PRINCIPAL MEMBERS**

*South African Apple and Pear Producers' Association | 12*

*South African Stone Fruit Producers' Association | 14*

*Dried Fruit Technical Services | 18*

# South African Apple and Pear Producers' Association

*Nicholas Dicey*

*SAAPPA Chairperson*

***Despite the extreme weather conditions experienced in many of the production regions the apple and pear industry experienced satisfactory to above normal returns during the 2015/2016 season.***

Due to aggressive expansions within the industry over the last few years, both apple and pear production showed increased export volumes from the previous year. This despite it being a tough season due to one of the driest winters industry has experienced in years, combined with very high temperatures in summer.

The South African Apple and Pear Producers' Association (SAAPPA) continued to serve the apple and pear industry by focusing on its core functions. The budget was spent judiciously and effectively on research, market access and development, market activities, industry representation, economic and socio-economic development, transformation,

and training. These core functions were continually revisited and debated on during executive and board meetings to ensure that the wishes and needs of all our constituents were met.

Hoewel die appel- en peerbedryf hul voetspoor oor die wêreld vergroot het, is toegang tot nuwe markte en die handhawing van ons teenwoordigheid in bestaande markte van kritieke belang vir die volhoubare groei van ons bedryf.

Hegter samewerking tussen die bedryf en die verskillende regeringsdepartemente is van kardinale belang om groei te verseker. En heelwat vooruitgang is reeds gemaak om te verseker dat Suid-Afrikaanse appels en pere in baie lande die voorkeurprodukte is.

Market development or awareness campaigns in many countries continue to play a major role in ensuring the access of apples and pears into new markets with the economic benefits to be realised in the near future.



Navorsings- en tegniese aktiwiteite was steeds die dominante sleutelaktiwiteit binne SAAPPA en het 60% van die kostebegroting uitgemaak, met die langtermyn doel om dit te verhoog afhangend van bykomende inkomste.

Die behoud en uitbreiding van navorsingskapasiteit is van die uiterste belang om te verseker dat ons bedryf kompetender bly en as 'n verskaffer van hoë kwaliteit produkte geplaas word. 'n Opwindende projek wat baie waarde by die bedryf sal voeg, is die nastrewing van 'n onafhanklike kultivar-evalueringsinisiatief om produsente by te staan in die neem van ekonomies lewensvatbare besluite wanneer die aanplant van nuwe kultivars beplan word.

Transformation remains a priority within the industry and the Deciduous Fruit Development Chamber (DFDC) continues to receive support from SAAPPA to assist in achieving the transformation goals as laid out by the NAMC. It is also pleasing to note that the apple and pear industry is at the forefront when it comes to private transformation initiatives, and that SAAPPA plays an active role in supporting these initiatives administratively.

The administrative team serving SAAPPA, ably led by Anton Rabe, continues to punch above its weight when addressing the myriad of issues to be dealt with in addressing the challenges facing our industry, as well as in ensuring that we can compete internationally on a level playing field.

**“Transformation remains a priority within the industry.”**

I would like to thank them and my fellow board members who strategically drive SAAPPA forward for their hard work and dedication in ensuring that we as the South African apple and pear industry stay ahead of the game and remain competitive and relevant in a very challenging environment. I wish the apple and pear industry a blessed and prosperous 2017 season.

# South African Stone Fruit Producers' Association

*André Smit*

*SASPA Chairperson*

The stone fruit industry managed to export average to above average volumes of good eating quality fruit this season. This in defiance of the 2015/16 season starting with apprehension caused by the drought and widespread heat wave conditions, and scarcity of water. Apricots however, struggled with export volumes being below a three year average.

Throughout the season the exchange rate remained weak against the major currencies assisting the industry in terms of export revenue.





Die steenvrugbedryf het ±18,000 hektaar bome, waarvan perskes (geel en taaipit) 41% verteenwoordig, pruime 29%, appelkose 16%, nektariene 12% en pruime 2%. Die oppervlak onder appelkose het aanhou verminder, terwyl pruimaanplantings aanhou groei het. Die hektare wat met perskes en nektariens beplant is, het gestabiliseer.

Groot beleggings is oor die afgelope vyf jaar in die steenvrugbedryf gemaak – in terme van beide die vervanging en vestiging van nuwe boorde vir geelperskes, nektariene en pruime. Daar kan dus verwag word dat die volumes van hierdie produkte eksponensieel sal toeneem. Huidige mediumtermyn projeksies dui daarop dat die bedryf se nektarienvolumes potensieel met 7% kan verhoog, geelperskes met 11% en pruime met 22%. Hierdie is as gevolg van die diversifikasie van ons produkreeks en die uitstryk van pieke om 'n meer gelyke markaanbod te verseker.

The EU (39%), UK (30%) and the Middle East (21%) remained the major export markets for stone fruit. The local market where peaches and nectarines are concerned, is as important as our export markets and hence increased efforts to ensure that the quality on our local markets has been maintained, and improved.

To increase our local consumption, we continued to support the local market development initiatives targeted at the informal and formal trade. Product quality on the local fresh produce markets was inspected and monitored by Prokon. Prokon had been appointed as the DAFF assignee for fruit and vegetable quality inspections on the local market on a user pay basis. Our board believes the costs quoted for this service is out of line with the benefits, and has engaged via HORTGRO with DAFF to revise the service accordingly.

Markontwikkelingsbedrywighede in die VK is oor die jare goed gevestig. Steenvrugte presteer baie goed en word bo dié van ons Suidelike Halfrond eweknieë verkies. Die Duitse steenvrug 'skip' blyk weer drywend te wees na jare van dalende uitvoere na hierdie mark. Die jaar 2015/2016 het 'n ommekeer in volumes getoon, behalwe vir appelkose. Dit is teweeggebring deur SASPA wat oor die afgelope drie jaar betrokke geraak het by die Duitse handel deur inligting m.b.t. naoes-hantering te deel en die bedryf se beeld te herbou. Die Duitse mark het herbeklemtoon dat die toekomstige beeld van enige produk en die vermoë om rakspasie in supermarkte te verdedig op goeie kwaliteit (eet-ervaring), kontinuïteit en konsekwente voorsiening gebaseer moet word.

Other markets prioritised (although this is an ongoing activity and evaluated on a regular basis) for market development initiatives are the Middle East (via UAE or Dubai) which will be launched in the upcoming months.

SASPA en HORTGRO het suksesvolle produsentterugvoervergaderings in die vernaamste produksiegebiede gehou, waartydens perspektiewe oor en tendense in die verskillende markte gedeel is en verseker is dat lede ingelig is van die bedryf se strukture en dienste. Dié geleentheid is goed deur produsent bygewoon, uitvoerders en verteenwoordigers van sommige van die kommersiële banke.

Transformation within the industry remains a key focus area. Notwithstanding the challenges, the entire value chain should take responsibility for this and not only focus

on primary production level. High entry barriers such as intensive production and the capital intensive nature of stone fruit production, the consolidation of smaller units that lead to vertical integration and better economies of scale, remain some of the challenges the industry faces.

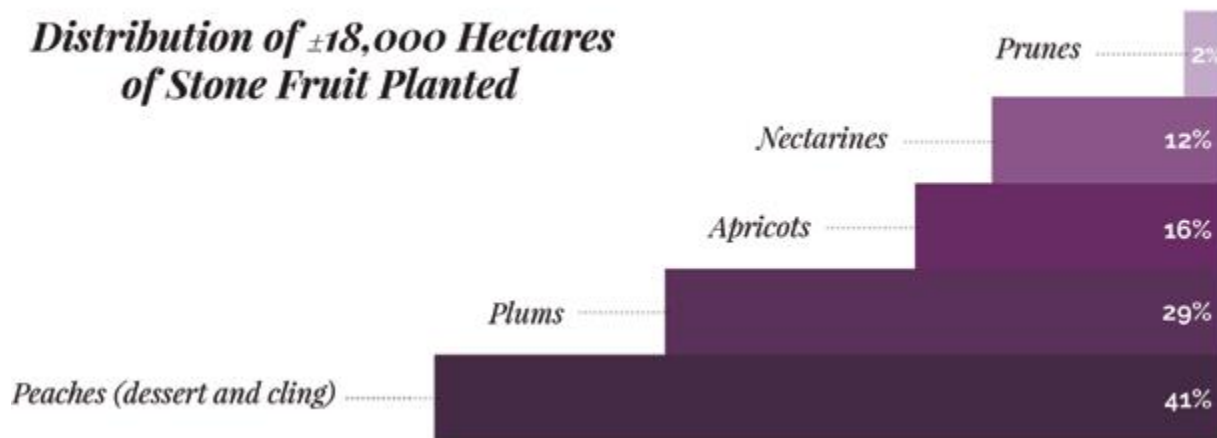
The drive to supply the market with new cultivars has been a key feature of the stone fruit industry. Over the past ten years we have had a huge increase of varieties available to producers. Some of these new varieties have been very successful but unfortunately there are also a fair number that have failed – this at a cost to producers of many thousands of rands per hectare. To address the need for independent evaluation of new varieties, the industry supported the creation of Provar to provide this service, and to generate horticultural

productions and post-harvest evaluation of varieties on representative sites in different climatic conditions. Producers are encouraged to determine whether new varieties have been properly evaluated for the South African climate before they decide to plant a new variety.

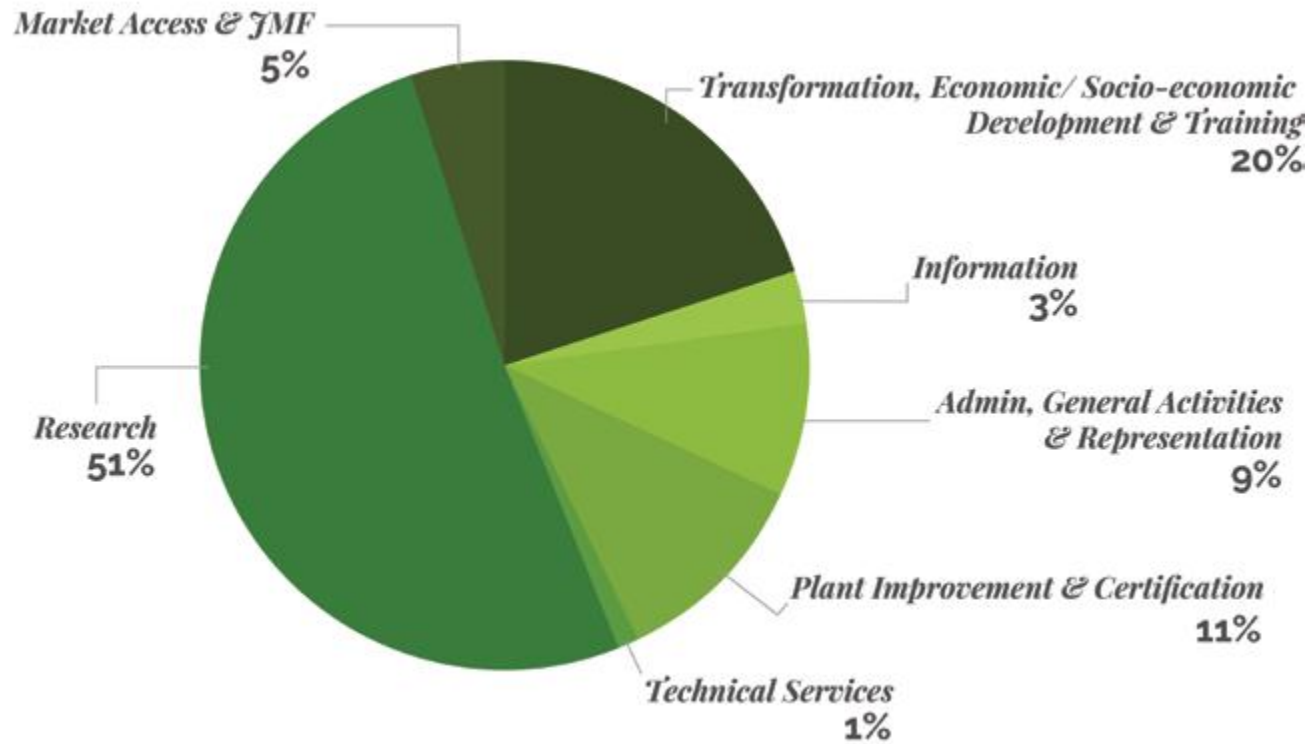
The first peaches and nectarines of the new season have already been harvested. According to the first crop estimate, volumes of stone fruit will increase modestly with between 4% - 6% in 2017. This is mainly due to young orchards coming into production. The climatic and water situation however remain a concern, while market risks relating to SPS issues have also been identified as key focus areas to be addressed as a matter of urgency. The industry will also participate in discussions with the UK on how Brexit could possibly affect the stone fruit industry going forward. Other issues addressed at industry level relate to the quality of nursery trees, the status and funding of the breeding programmes, and continued support for the DFDC in our efforts to rapidly transform the industry.

Ek wil graag ook van hierdie geleentheid gebruik maak om my mederaadslede, steenvrugprodusente en alle belanghebbendes in die bedryf te bedank vir hulle bydraes en ondersteuning om te verseker dat SASPA sy belanggroepe doeltreffend kan dien.

### *Distribution of ±18,000 Hectares of Stone Fruit Planted*



# **SASPA Traditional Levy Use**



## LEVIES

Traditional = R18 million

International Market Development = R8,5 million

Local Market Development = R1,5 million

} 35% of all levies

**SASPA total = R28 million**



# Dried Fruit Technical Services

*Dappie Smit*  
*General Manager*

## *Produksie en Bemaking*

Die toename in bemarkers van droëvrugte het verskille in interpretasie van gehaltefaktore laat toeneem. Met die hulp van 'n moniteringsaksie deur Perishable Products Export Control Board (PPECB) is begin om die beoordeling tussen deelnemende verpakkers te standardiseer en sodoende verwarring uit te skakel.

Die klem op sanitêre en fitosanitêre voedselveiligheidsmaatreëls het tot gevolg gehad dat droogfasiliteite op plase ook geakkrediteer moet word, asook naspeurbaarheid van 'n produk tot by sy oorsprong. Droëvrugte Tegnieëre Dienste (DTD) fasiliteer tans dié proses om lede te help en om aan wetlike vereistes te voldoen.

Climate change and cost pressures are compelling more environmentally friendly practices and higher production, which demand more dedicated research. Access to the correct forums and sources of funding therefore is essential to adjust processing, retain access to traditional markets and identify new markets.

Voedselveiligheid en die verlaging van chemiese residu op alle voedselsoorte is deurgaans onder die vergrootglas. Die druk om chemiese middels te beperk, vereis die soeke na alternatiewe om plae te bestuur. Die gebiedswye vrugtevlug beheerprogram van FruitFly Africa wat die steriele-insek-tegniek (SIT) insluit, is een so 'n voorbeeld. SIT word sterk deur DTD ondersteun.

## Empowerment

The fruit industry as a whole, regard economic empowerment as a high priority. Dried Fruit Technical Services (DFTS) support the structured approach which forms part of this process. DFTS supports empowerment by:

- + Maintaining a new grower database
- + Integration of new growers into current industry bodies and structures
- + Supporting new growers to become commercially self-sustainable
- + Development and evaluation of business plans
- + Training and development programmes for new growers

## Navorsing:

Die dringendste probleme van produsente word deur navorsing aangespreek, sodat hulle onder die huidige moeilike ekonomiese tye winsgewend en mededingend kan produseer. Derhalwe word baie aandag aan die teling en evaluering van nuwe kultivars gegee. Hierdie nuwe kultivars is beter aangepas, produseer gehalte vrugte en is ook meer bestand teen peste en plaë. Klimaatsverandering kan ook die beste aangespreek word deur die teling van kultivars met geskikte eienskappe vir verskillende klimaatstreke. Veral in die geval van rosyne wat in somerreënstreke verbou word, is 'n verspreiding van rypwordtipe 'n noodsaaklikheid.

Within the research programme the emphasis is on the development of new cultivars. It is important to plant new crops with the best possible plant material. For this reason, industry has invested in the South African Plant Improvement Organisation (SAPO Trust) – who manages all aspects of plant material since this is no longer a function of the Department of Agriculture, Forestry and Fisheries. It is also the only local institution that services all of the certified plant material itself according to the Plant Improvement Act. DFTS also supports the independent evaluation process recently embarked on by the industry via Provar.



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*Support Services* | 35



# HORTGRO Management Services

*Louis van Zyl*

*General Manager: Administration & Finance*

***Since its inception 11 years ago, by its principal members, SA Apple and Pear Producers' Association (SAAPPA) and SA Stone Fruit Producers' Association (SASPA), HORTGRO has been providing a range of industry services, financial management, information technology and administrative services to a number of horticultural industry bodies.***

The principal industry entities which HORTGRO currently provide services to are FruitFly Africa, Dried Fruit Technical Services, SA Plant Improvement Organisation, Culdevco, Fruit Workers Development Trust, Deciduous Fruit Industry Development Trust, Deciduous Fruit Producer Trust, the SA Fruit Journal, the Deciduous Fruit Development Chamber (DFDC), and SAAPPA and SASPA.

HORTGRO has also been contracted to provide services to a range of alternative crops and other organisations including, berries, cape flora, cherries, Honeybush Tea, olives, pecan nuts, pomegranates; focus groups such as Greenstar, Pink Lady and Forelle Associations, SA Flower Export Council (SAFEC), SA Fruit and Vegetable Canners Association (SAFVCA) and Sustainable Agricultural South Africa (SIZA). A total of 34 legal entities are currently being serviced.

HORTGRO is ook gekontrakteer om dienste aan 'n verskeidenheid alternatiewe gewasse en ander organisasies te verskaf, insluitend bessies, Kaapse flora, kersies, heuningbostee, olywe, pekanneute en granate en fokusgroepe soos die Greenstar-, Pink Lady- en Forel Assosiasies, die SA Flower Export Council (SAFEC), die SA Fruit and Vegetable Canners Association (SAFVCA) en Sustainable Agricultural South Africa (SIZA). 'n Totaal van 34 wetlike entiteite word tans bedien.

HORTGRO was also contracted to implement **various programmes** in conjunction with other role-players including:

- + Comprehensive Agricultural Support Programme (CASP) with the Western Cape Department of Agriculture; support for emerging producers, for both deciduous fruit and citrus via the industries and the Commodity Project Allocation Committee (CPAC)
- + Alternative Crops Research Fund (ACF) with the Western Cape Department of Agriculture,
- + Jobs Fund – economic development of 23 farms in Western and Eastern Cape with the Western Cape Department of Agriculture, National Treasury and Deciduous Fruit Development Chamber,
- + Sustainable Agricultural South Africa (SIZA), IDH and the Department of Agricultural of the Western Cape,
- + Produce Marketing Association (PMA) – Membership, Fresh Connections and the Agri-Food Career Fair
- + Pre-clearance program for Deciduous & Citrus Fruit - Trust Fund with US Department of Agriculture's Agriculture, Plant Health Inspection Services (USDA APHIS)

Die **administratiewe funksies** wat deur HORTGRO verskaf word, sluit in:

- + Optrede as 'n veranderingsagent met betrekking tot grondhervorming, opleiding en ander sosio-ekonomiese dimensies wat die landbousektor raak;
- + Koördinering van die inligting wat onder substrukture en alternatiewe gewasse, provinsiale en nasionale regering en ander belangegroepe uitgeruil word;
- + Verhoging van die langtermyn ekonomiese lewensvatbaarheid en volhoubaarheid van die bedryf om 'n bemagtigende omgewing te verseker waarbinne bedryfsbelanghebbendes kan floreer;

- + Om tuinbou-produkte in 'n gunstige posisie te plaas onder teikengehore deur insetkoste te verlaag, en doeltreffendheid in die uitvoerwaardeketting te verhoog deur middel van langtermyn bondgenootskappe en strategiese verhoudings;
- + Beskerming en verbreding van marktoegang en markaanjdeel op grond van effektiewe tegniese ondersteuning en kommunikasie;
- + Verskaffing van inligting en perspektiewe oor alle aspekte wat verband hou met die tuinbou bedryf.

### **Human Resources**

- + The HR Department deals with industry submissions, the Annual Skills Plan as well as Employment Equity Reports
- + Employee wellness is very important to our organisation and we continue to offer support to our employees

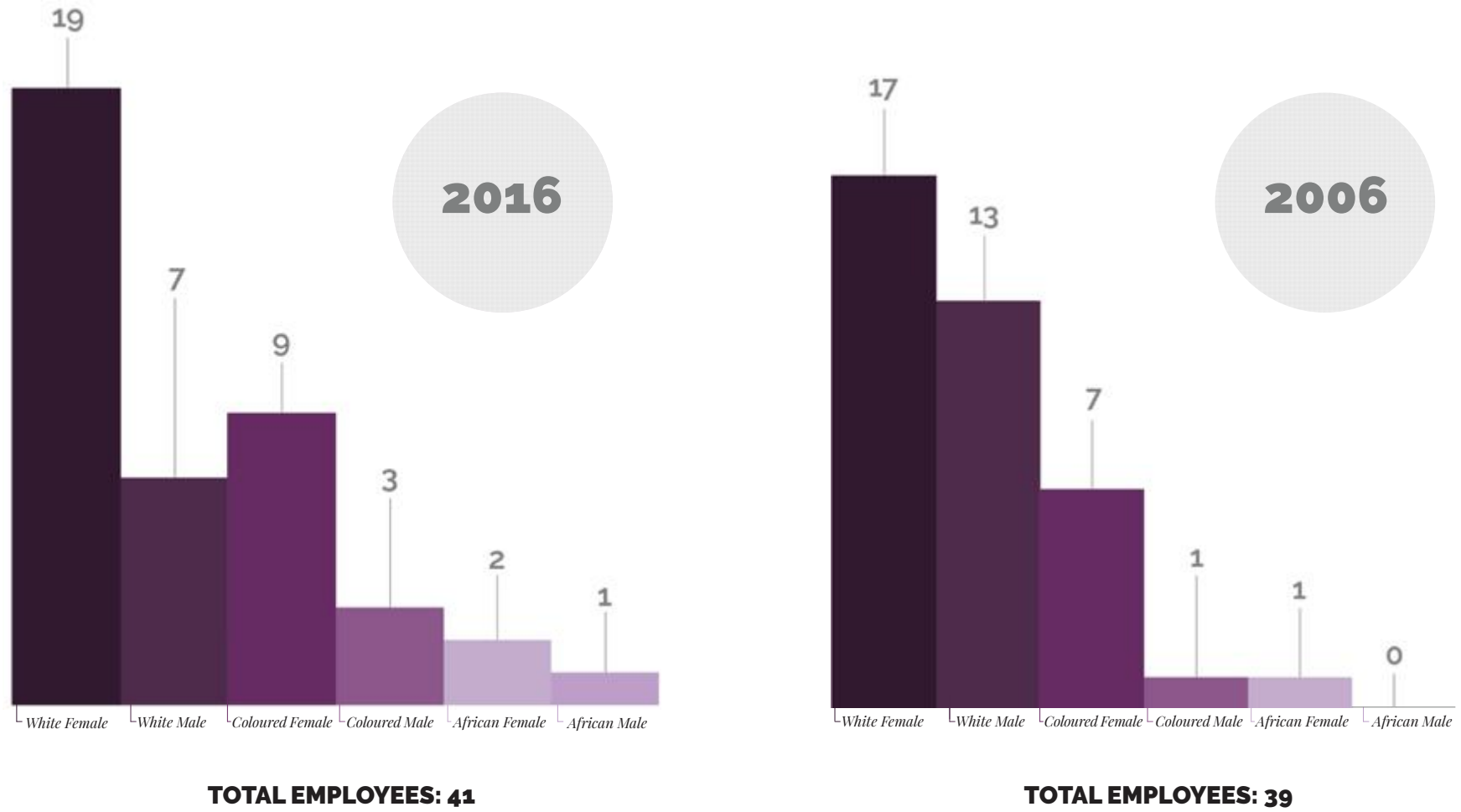
### **Skills Development**

- + HORTGRO is committed to equal opportunities for all its employees. Our employees are encouraged to learn and grow as part of their journey to further develop their personal and professional skills set. An Internal Bursary Scheme is available to our employees wishing to further their studies.
- + By providing opportunities to develop and grow, we insure that we are attracting and retaining exceptional individuals with a passion for agriculture.

### **Gelyke Indiensneming**

- + Gelyke indiensneming bly 'n uitdaging omdat die omsetkoers van ons werknemers baie laag is en nie baie nuwe posisies ontstaan nie. Nuwe posisies word egter gevul met werknemers vanuit die voorheen benadeelde groepe waar moontlik.

# HORTGRO Equity Figures 2016 vs 2006



# Communication

*Elise-Marie Steenkamp*

*Manager: Communication*

## ***The first year at HORTGRO's new Communications Department has been an adventurous ride.***

With our eye on the strategy ball and our mantra “everything we do, we do with our growers in mind”, we launched 2016 with a new logo and strapline. Next stop, was to build a new - visually stimulating and user-friendly - website. The new site was launched in February 2016, and feedback has been extremely positive.

In Februarie het ons die nuwe HORTGRO-nuusbrief geloods. Dit het gou 'n populêre nuusbron geword, wat veral help om ons handelsnaam op plaaslike en internasionale mediagroep se raders te plaas. Die nuusbrief het ook 'n interne afdeling wat spesifiek op personeelkwessies en stories gemik is. HORTGRO Science se freshNOTES is 'n tegniese nuusbrief wat bedryfskwessies en navorsingbevindings oordra. Verlaas tegniese adviseurs vind hierdie platform baie nuttig.

In March the SASPA Board asked for a resurrection of the Timely Hints. The first edition debuted in August

this year, attracting approving feedback from stone fruit growers.

In April, Dane McDonald joined our team as the resident science communicator at HORTGRO Science, thereby increasing our capacity and skill set.

In terms of print media, news and research articles are printed in the bi-monthly South African Fruit Journal (SAFJ) – which is shared with other industry partners. It was a difficult year for the SAFJ with the editor absent due to illness. HORTGRO's communications department under the guidance of Anton Rabe took over the SAFJ for the first six months of the year. Glenneis Kriel helped with two editions, but we are happy to report that the SAFJ editor, Christa van Rooyen, is back in charge and in good health. We also produced the HORTGRO Annual Review 2015 and the HORTGRO Science Annual Report 2015. HORTGRO Science created a Technical E-book that will be made available early 2017. It is a compilation of all the technical and science-related articles that were published in 2015.

The HORTGRO Science Technical Symposium has now mushroomed into a five day event with 57

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speakers, and with the first day focusing specifically on the needs of New Growers. The 2016 symposium also had its first the Post-harvest Day. The success of the symposium was attested to by record attendance figures over the five days, a record number of sponsors, and the positive feedback we received. Our electronic Symposium Review – a summary of the most important presentations at the symposium - has now become the post symposium 'go-to' document.

#### Other events included:

- + The Researcher Breakfast Function
- + Langkloof Crop Production Seminar
- + A Crop Cover Information Day
- + False Codling Moth Seminar
- + Apple Replant Disease mini-symposium
- + Agri's got Talent
- + The Fruit Industry Gala Evening
- + HORTGRO Bursary Function

Ons het fenomenale aanlyn-groei beleef. Veral ons Facebook-bladsye (HORTGRO, 100% groei; HORTGRO Science, 140% groei; Agri's got Talent, 500% groei) en verkeer op ons verskeie webtuistes, het toegeneem. Sosiale media word gebruik om interessante bedryfsnuus, geleenthede, foto's en mense in die kollig met ons rolspelers te deel. Maak seker dat jy van ons 'hou' en ons 'volg' op Facebook, Twitter en Instagram. Daar is ook tans meer as 60 HORTGRO/HORTGRO Science videos op ons YouTube-kanaal.

#### Other activities included:

- + Attending Fruit Logistica 2016
- + Collaboration with South African Business Women's Association - apple donations in South African townships
- + Press Releases, advertorials and advertisements
- + Designing a rootstock evaluation pamphlet
- + FruitLook collaboration: 6 part series with infographics

- + The development of a post-harvest stone fruit app is also on track and our launch date is in the first quarter of 2017
- + kykNet initiative – providing fruit industry television stories for Grootplaas
- + Designing of advertisements; banners; industry articles
- + Development of a new HORTGRO corporate & industry video

Die meedoënlose tegnologiese revolusie maak die kommunikasie departement 'n uitdagende maar opwindende plek. Ons bly gefokus op die behoeftes van ons produsente en probeer om altyd hoë gehalte inhoud te produseer, dit tydlig te versprei en op die verskillende kommunikasieplatforms te integreer.

Kommunikasie is nooit 'n eenrigting saak nie. Dus, moedig ons alle bedryfsrolspelers aan om ons te laat weet waar ons kan verbeter, watter kommunikasieplatforms hulle verkies en om nuus en foto's van hul streek aan ons te stuur. Sáám kan ons die vrugtebedryf laat groei.



# Research & Technology

*Hugh Campbell*

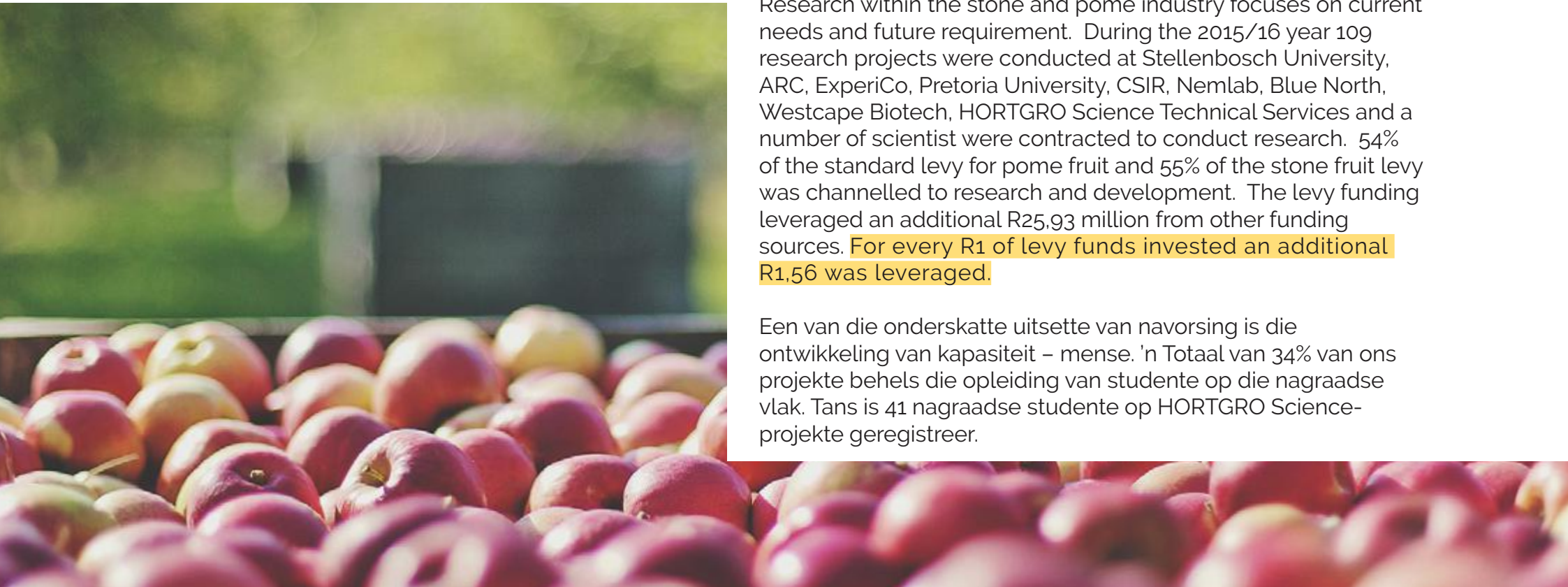
*General Manager: HORTGRO Science*

*Norman E Borlaug, the 1996 Nobel Prize winner, stated that “Agricultural research represents the most complex integration of science disciplines in research and development endeavours.”*

Research sometimes generates dramatic outputs or progress where the benefits are easy to identify and measure. Mostly, research gnaws away at a specific problem and fits the pieces of the puzzle together over a longer period of time so that the immediate benefits are not always visible. Is it important? You be the judge.

Research within the stone and pome industry focuses on current needs and future requirement. During the 2015/16 year 109 research projects were conducted at Stellenbosch University, ARC, ExperiCo, Pretoria University, CSIR, Nemlab, Blue North, Westcape Biotech, HORTGRO Science Technical Services and a number of scientist were contracted to conduct research. 54% of the standard levy for pome fruit and 55% of the stone fruit levy was channelled to research and development. The levy funding leveraged an additional R25,93 million from other funding sources. For every R1 of levy funds invested an additional R1,56 was leveraged.

Een van die onderskatte uitsette van navorsing is die ontwikkeling van kapasiteit – mense. 'n Totaal van 34% van ons projekte behels die opleiding van studente op die nagraadse vlak. Tans is 41 nagraadse studente op HORTGRO Science-projekte geregistreer.



Van hierdie studente is 49% swart, en 22% van die projekte het 'n swart projekleier. Daarbenewens word 44% van ons navorsing tans deur vroue onderneem. Ons moet aanhou fokus op die versterking van huidige navorsingskapasiteit terwyl ons die volgende generasie van navorsings- en tegniese mense kweek om tot die bedryf toe te tree.

The allocation of funds between the different research programmes is reflected in a graph on page 30.

A comprehensive overview of each research programme is available in the HORTGRO Science 2015/16 annual report. The following is a brief overview of each programme:

The **Breeding Programme** is currently based at ARC Infruitec-Nietvoorbij and is aimed at breeding new cultivars that are 'easy to grow and easy to sell'. A cultivar acquisition strategy has been developed during 2015/16 and is in the process of being rolled out. A key element of this strategy is the introduction of an independent cultivar evaluation programme which kicks-off during the 2016/17 season. Breeding options are being reviewed on a fruit type basis with the objective of initiating an improved and renewed breeding programme in 2017.

The **Sustainable Farming – Crop Production Programme** is led by Prof Wiehann Steyn. The Crop Production research strategy is directed and aligned with the requirements and key risks to the Orchard of the Future. Hence, farming efficiency (of which rootstocks, plant quality and orchard efficiency are key components) as well as water- and climate-related research are the strategic priorities of this programme.

Die **Volhoubare Boerdery – Gewasbeskermingsprogram** en die implementering van die **Marktoegangsprogram** staan onder

die leierskap van Matthew Addison en sluit in entomologie, nematologie en plantpatologie. Die navorsingstrategie word breedweg gerig op volhoubaarheid en die vermindering van die gebruik van sintetiese plaagdoders. Die marktoegangsprogram is gefokus spesifiek op die ontwikkeling van oplossings vir belangrike fitosanitêre peste soos graanstinkluis, valskodlingmot en vrugtevlieg.

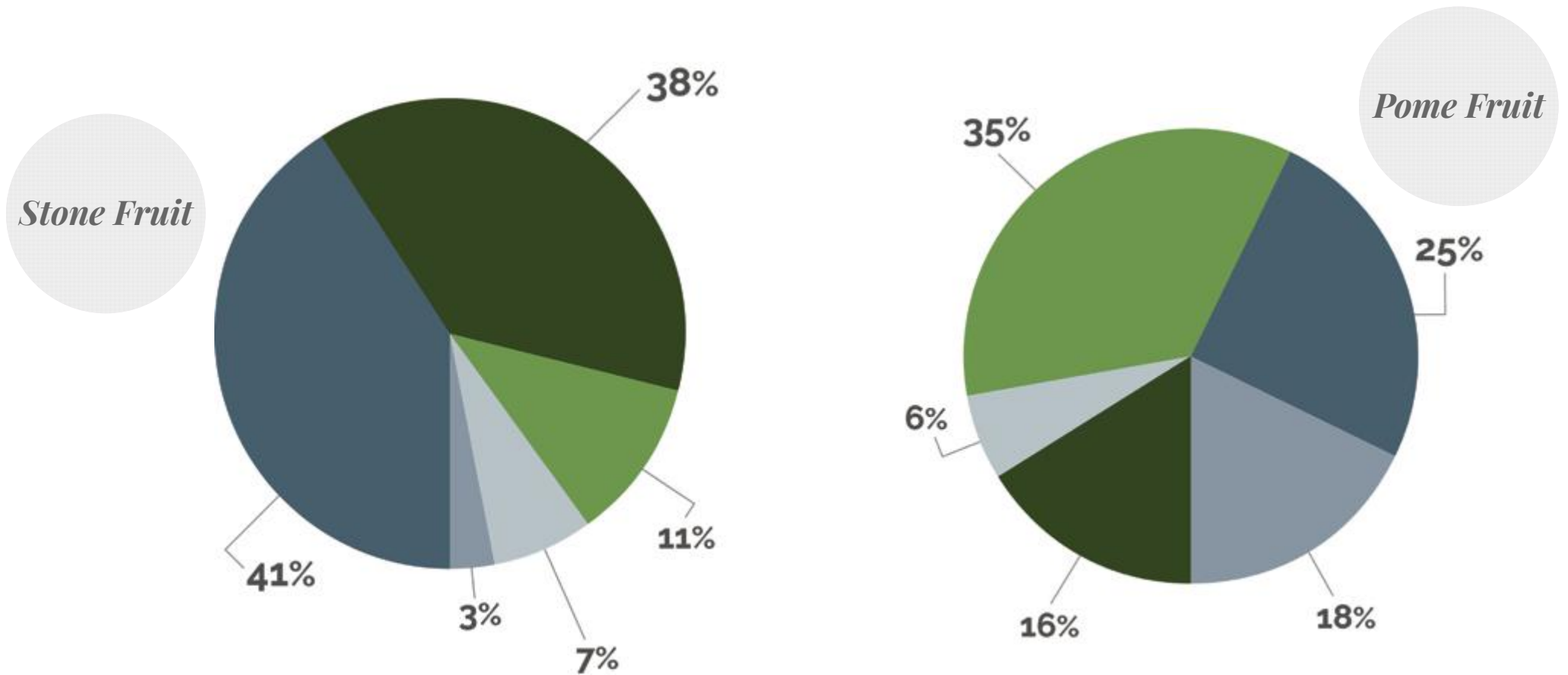
**Product Integrity through the Supply Chain (Post-Harvest)** is a programme that is run by Richard Hurdall. The essence of this programme is to support and enhance the processes across the supply-chain to ensure that intrinsic product integrity is maintained, and that a quality product is available to the end-consumer in local and distant global markets.

A key programme within HORTGRO Science is the **Communications Programme** which is ably led and implemented by Elise-Marie Steenkamp now supported by Dane McDonald. A strong emphasis has been placed on integrating the different communications platforms in order to meet the specific needs of our stakeholders.

Please refer to the HORTGRO Science 2015/16 annual report and Technical E-book 2015 on our website ([www.hortgroscience.co.za](http://www.hortgroscience.co.za)) for a comprehensive report of the Research and Development activities funded by the levy.

Verwys asseblief na die 2015/16 HORTGRO Science jaarverslag en die Tegniese E-boek 2015 op ons webblad ([www.hortgroscience.co.za](http://www.hortgroscience.co.za)) vir 'n breedvoerige verslag oor die navorsings- en ontwikkelingsaktiwiteite wat deur die heffing befonds word.

# HORTGRO Science Programme Funds Breakdown



- Breeding (Genetic Pool Optimisation)
- Sustainable Farming - Crop Production Programme
- Sustainable Farming - Crop Protection Programme

- Product Integrity through the Supply Chain (Post-Harvest)
- Market Alignment Programme (Market Access Programme)

# Trade & Markets

*Jacques du Preez*

*General Manager: Trade & Markets*

Now is the time to start thinking ahead. If one examines data from the tree census and production numbers, and generalise a bit, **the deciduous fruit industry is currently going through a bit of a boom phase.**

We have experienced constant annual growth in apple, pear and plum orchards while it seems as if the peach and nectarine sectors are in a consolidation phase. A serious lack of new cultivars however, seems to be the Achilles' heel for the fresh apricot industry.



Daar is tans 'n oplewing in die bedryf. Dus is dit nou die tyd om die regte besluite te neem en innoverend te dink – om seker te maak dat die regte vrugsoort en kultivar op die regte plek geplant word. Só kan ons voorberei vir die toekomstige teikenmark wanneer aanplantings oor 'n paar jaar in produksie kom. Een ding is seker, soos sake tans staan is daar nog heelwat vrugte op pad wat oor vyf jaar 'n huis moet kry. Dit sluit aan by die onlangse verwickelinge in terme van marktoegang en die behoud van die tradisionele markte.

Ons is verstom oor watter bydrae hierdie groei tot die invloei van buitelandse valuta, die makro-ekonomie en die landelike ekonomieë van ons produksie gebiede maak. Dit behels miljarde rande wat oor die volgende vyf jaar beslis 'n positiewe bydrae tot werkskepping sal maak.

We set big goals for ourselves in gaining access to new markets, specifically in the South East Asia region. After a lot of hard work and for the first time this year, South Africa gained “Country of Recognition Status” to Indonesia. This will greatly ease and improve exports to this market. We hoped to also announce good news that pears have gained access to China by now, but this is still a work in progress. After pears, is avocados, and then plums.

Samewerking tussen die FruitSA lede gaan ook van krag tot krag met veel beter

koördinering tussen die verskillende bedrywe. Dit help verseker dat die marktoegangsprosesse so glad en vinnig as moontlik verloop. Skakeling met die verskillende regeringsdepartemente, spesifiek die departement van landbou, bosbou en visserye (DAFF) en Dirco (buitelandse sake) en die ambassades in die onderskeie teikenlande is ook tans positief.

As stated in previous annual reviews the sanitary and phytosanitary pressures on SA as supplier to export markets continue to mount. HORTGRO is continuously monitoring and communicating developments in this regard, with a focus on retaining existing markets whilst gaining access to new markets.

Weaker currencies had a positive effect on our export earnings, but this is a double edged sword as many inputs and operational costs are negatively influenced too. Africa, as the single biggest market for apples, has been a tough place to be given the weaker African currencies as well as oil dependent economies drastically impacted by lower oil prices.

SASPA continued its engagement with the German trade which has started to pay off with the declining stone fruit volumes having made a U-turn. There is apparent renewed interest and trust in SA as a supplier.

A lot of effort was also put into promoting the Sustainability Initiative of South Africa (SIZA) as the preferred accreditation platform in the market.

The Forelle Early Market Access (FEMA) programme concluded another successful yet challenging year, with volumes much in line with the previous year. It seems as if this programme has reached its natural



**Met die oplewing in die bedryf, is dit nou die tyd om innoverend te dink en seker te maak dat ons die regte vrugsoort en kultivar op die regte plek plant, en ons voorberei vir die regte toekomstige teikenmark.**

"equilibrium". Funds from the dedicated FEMA levy is directed into improving the programme, specifically maturity, optimum release or harvesting parameters and the policing thereof.

Die Taiwaneese spesiale markprogram het 'n baie positiewe 2016-seisoen ervaar. Die VSA het egter 'n baie strawwe jaar ervaar, met hoë vlakke van afkeuring en 'n afname in volumes, wat hopelik aangespreek sal word deur die bekendstelling van 'n risikobestuursprotokol spesifiek vir hierdie mark. HORTGRO was ook aktief betrokke by die ontwikkeling van verbeterde inligtingsdienste wat die fitosanitêre uitvoerproses deur Phytclean sal verbeter en die voortgesette publikasie van akkurate en weeklikse uitvoerinligting.

Markontwikkelingsveldtogte in die VK en Duitsland duur as langtermyn beleggings voort, met die steenvrug groep wat die eerste was om 'n veldtog vir die 2016/17-seisoen in die Midde-Ooste te loods. Die markontwikkelingsveldtogte het oor die jare

ontwikkel, tans met 'n groter fokus op handelsbetrokkenheid en aktiwiteite. Dit word gekoppel aan marktoegang en ook die gesamentlike befondsing van 'n reeks handelskoue regoor die wêreld.

Lastly we would like to use this opportunity to thank all of you who are involved in so many ways – from board, advisory committee, management committee, regional offices to just a phone call away and always ready to assist and support our industry efforts. Without your inputs, guidance and willingness to act as soundboards we won't be able to do our job properly in servicing your and the industry's needs.

Please go to [www.hortgro.co.za/market-intelligence-statistics/market-development-campaign](http://www.hortgro.co.za/market-intelligence-statistics/market-development-campaign) to watch the video feedback and highlights of the UK and German Market Development Campaigns.



# Trade & Market Access

*Lindi Benić*

*Manager: Market Access*

***Technical trade and market access compliance requirements, including sanitary/phytosanitary (SPS) regulatory requirements driving the market access agenda require continued ongoing actions to ensure current market access is either maintained or improved through interaction at all levels. Specific issues include:***

**SA pear access to China:** SA response to supplement a pest risk assessment (PRA) of SA pears to China was provided to AQSIQ in August 2015, with no related information received to date, although it was indicated at a meeting between FruitSA and AQSIQ in September 2015, that the Pear PRA process was progressing well and would hopefully be concluded soon. With the China citrus import PRA impacting on this process, the citrus industry confirmed they provided information to DAFF in August 2016, with DAFF indicating they are finalizing the PRA to send to AQSIQ.

**Recognition of SA's Food Safety System by Indonesia:** Country of Recognition status was finally granted to SA by Indonesia, with Ministerial Decree No.234/Kpts/KR.050/4/2016 signed on 11 April 2016.

SA will be required to re-apply for renewal 6 months prior to expiry of the 2 year recognition period, with annual national food safety

monitoring data required to be provided by the SA Food Safety Competent Authority, DAFF-FSQA, thus testing still required. A meeting was held on 18 April on the clarification and interpretation of country recognition status, with the revised SOP for exports to Indonesia circulated by PPECB, reverting back to the safety certificate valid for 2 months and confirming the 2015 actives list will be used for MRL verification.

**SA uitvoere na Thailand:** Die voorwaardes vir die uitvoer van tafeldruif vanaf SA na Thailand is op 18 Januarie 2016 gepubliseer en maak voorsiening vir die inisiëring van tafeldruifuitvoere en die Plaag Risikobepaling (PRB) proses vir ander belangrike kommoditeite, insluitend kernvrugte en steenvrugte. Die Departement van Landbou, Bosbou en Visserye het in Augustus 2016 'n brief aan die Thailandse Nasionale Plantbeskermingsorganisasie (NPBO) gestuur met 'n verslag oor die status van invoer PRB's en waarin die status van PRB's vir appels en pere versoek is. Geen antwoord is tot op hede ontvang is nie. In 'n vergadering tussen FruitSA en die Thailandse NPBO in September 2016 is navraag oor die status gedoen, sonder dat nuwe inligting verskaf is, hoewel daar bevestig is dat die appel en peer PRB's afsonderlik voltooi sou word.

**EU exports - Issues related to Grain chinch bug (GCB); Phosphonates and False codling moth (FCM):** The GCB Focus Group established to bring together parties who experienced



interceptions on fruit exported to the UK during 2014/15/16, finalised a recommended GCB risk management protocol in September 2016 (approved by SASPA and SAAPPA), towards managing interceptions for 2016-17.

The Phosphonates Focus Group was established in early 2016 due to concerns regarding EU MRL exceedances related in particular to stone fruit. Fresh Notes 123 - June 2016 "Phosphonates residues in products exported to the EU - Cautionary Note" was circulated to inform growers and stakeholders about the issue with related inserts in the June SASPA and SAAPPA Newsletters, recommending residue analysis be completed, to confirm MRLs are not exceeded for 2016-17. Regarding FCM, the European and Mediterranean Plant Protection Organization (EPPO) PRA for FCM was published in September 2013, prompting ongoing monitoring of EU developments within the EU Standing Committee - Plant Health (PH) from 2014 – 2016, with an

exchange of views on possible inclusion of FCM as a regulated pest in December 2015 and a presentation on possible updates to EU directive annexes, in May 2016. Attendance of the Freshfel Meeting in Brussels in May 2016, provided opportunity for engagement regarding phosphonate concerns and FCM developments, with a meeting with UK DEFRA - PH also providing valuable inputs regarding views to date and possible timelines for EU FCM developments. In June 2016, a joint SA fruit industry position was agreed, with a FCM Stakeholders Forum meeting held in July 2016. The Crop Protection Advisory Group held meetings in May and August 2016, with a letter sent to the Registrar in terms of Act 36 in September 2016, regarding EU developments and the need for critical needs tools for registration. An ad-hoc advisory committee meeting was held on 30 September 2016 under EU DG Santé regarding revision of annexes of EU Council Directive 2000/29 (including FCM and *Prunus persica* as a host). A draft proposal is open for EU comment until

14 October and EU Commission will then issue a WTO SPS Notification, providing SA another opportunity to comment within 60 days after publication. Indications are that the proposed regulation may be published from approximately May to June 2017.

#### **Export/import consolidated industry responses were provided to DAFF-**

**PRA:** For exports, draft PRAs on apricots, plums, pears and apples remain pending from Vietnam, with a response provided in March 2016 regarding the table grape PRA, with a draft work plan. Regarding imports, responses were provided in April and July 2016 on draft work plans for importation of apples from Portugal and Netherlands and in March and September 2016 relating to PNW apple imports to SA. The *Prunus* quarantine pest list review was completed in September 2016, with responses provided to DAFF for pathogens and insect pests.



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# Information & Logistics

*Mariette Kotzé*

*Group Operations Manager*

***With approximately 45% of total production being exported the South African Pome and Stone fruit industry is clearly export orientated. Therefore we are affected by changes in the global environment characterised by fluctuations and uncertainties created by a number of factors.***

The world economic forum highlighted 10 trends to watch for in 2016 (Ambrecht D, 2015; World Economic Forum):

1. The “micro moment” – having detailed data in (near) real-time, allowing for faster and more informed decisions. Impacting on how and what will be consumed.
2. Services with manners – 3 out of 4 people do not mind sharing personal information if it meant that they would gain a more personalised experience. The trust relationship within this context is very important and how this information will be used to develop better technologies.
3. Employee experience – linear career growth is being replaced by the use of different jobs at different companies to create their own path and technology based jobs has made the transition easier between companies. Keeping talent requires a re-think and building cultures of empowerment, individuality and reward.
4. Disappearing apps – we are living on the “planet of the apps”, but technology is changing rapidly. A high amount of atomisation is prompting apps to merge together and even replacing their traditional place on your smartphone or tablet.

5. Flattening of privilege – many services previously considered high end are now readily available to the general public through apps and discount services.
6. Government for the people – technology has allowed citizens to be better informed as well as players in global issues through citizen-led projects and social media campaigns.
7. Health in our own hands – there are apps available that help consumers understand what they eat and how they exercise and technologies that track their health. This industry is expected to grow by 600%. All of this is contributing to better healthcare, medical approaches tailored to the individual's lifestyle and genetic profile.
8. Virtual reality – improved virtual reality technology and affordable pricing has made virtual reality a real potential.
9. Return of simplicity – consumers now have more choices than ever before, the average consumer makes more than 200 decisions per day on food alone. This overwhelming possibility calls for greater simplicity, and to not over complicate consumer decisions.
10. Design from within – innovation has become the key to survival. In 2014 research indicated that 85% of consumer goods products fail. In 1997 Steve Jobs pointed out “you've got to start with the customer experience and work back toward the technology, not the other way round”.



**You've got to start with the customer experience and work back toward the technology, not the other way round.**

In summary these trends are focussed on people (employees and consumers), planet, profit and how it is being influenced by technology. HORTGRO continues to be innovative in our approach to expand our information base and the accessibility to support commercial and new entrant farmers to remain profitable, competitive and sustainable. Information and transparency throughout the supply chain is therefore a crucial element to achieve this.

HORTGRO continued our support for new growers through our partnership with the Western Cape Department of Agriculture with the administration and management of the Comprehensive Agricultural Support Programme (CASP) to the value of R25 million during the 2016/2017 financial year. We also extensively supported the Jobs Fund project reported on next in this report.



# Jobs Fund

*Halalisiwe Msimango*

*Project Manager*

An industry-wide initiative by HORTGRO, the Deciduous Fruit Development Chamber (DFDC), the Western Cape Department of Agriculture and the National Treasury (Jobs Fund) agreed to fund a project to ensure the graduation of 23 smallholder farmers to commercial status by 2020.

A total of R120 million will be spent on these farmers over the next four years.

Die program het ten doel om 550 werksgeleenthede tydens die duur van die projek te skep. Dit sluit in die vestiging van 'n totaal van 315 hektaar beide nuwe en hervestigde sagtevrugteboorde, waarvan 271 hektaar onder kernvrugte en 44 hektaar onder steenvrugte sal wees.

The projects are concentrated in three regions:

- + Ceres region (Ceres, Wolseley and Paarl)
- + EGVV (Elgin, Grabouw, Vyeboom and Villiersdorp)
- + Langkloof (Haarlem, Misgund, Louterwater and Joubertina)

Nineteen of the 23 farms are in the Western Cape and four are in the Eastern Cape.

Sodra die Jobs Fund program voltooi is, word daar voorsien dat die 23 verkose projekte volkome kommersieel lewensvatbaar sal wees, en nie langer vir staatstoelaes geïdentifiseer sal word nie. Dit sal ruimte skep vir die bedryf om 'n nuwe groep toetreders in die daaropvolgende jare by te staan.

# Deciduous Fruit Development Chamber

*Kevin Maart*  
*Manager*

***Increasingly, consumers are better informed and more conscious of their product choice that makes it more challenging for new entrants into export driven commodities like deciduous fruit to comply with stringent food safety regulations and in the meantime ably compete with their more advanced commercial peers and other global players.***

Therefore the Board of the Deciduous Fruit Development Chamber (DFDC-SA) remains convinced that the concept of a five-year planning cycle and associated funding support to black farmers in the deciduous fruit industry, provides the impetus for them to enter the commercial mainstream.

As deel van die DFDC se vyfjaar kommersialiseringsplan is 20 swart boere in die Wes-Kaap en vier in die Oos-Kaap in die hoofstroom sagtevrugtebedryf ingebring. Hierdie inisiatief word in vennootskap met die Jobs Fund, die Tesourie en Wes-Kaapse departement van landbou gedoen.


The DFDC also envisaged the signing a Memorandum of Agreement with the Eastern Cape Department of

Agriculture to implement the Eastern Cape Deciduous Fruit Development Plan – the second of the DFDC Commercialization Programme projects.

This programme seeks to establish 2,320 hectares of deciduous fruit in the Langkloof and the Gubenxa Valley (near Elliot in the Eastern Cape). The third project of this programme is the Remmoho initiative in the Thabo Mofutsanyane District in the Free State where white commercial and black farmers are partnering to establish 2,000 hectares of apples.

The main aim of these projects is to integrate black farmers into the downstream value chain that have been prioritised for implementation within the following two years by the Inter-ministerial Committee on Investment given the high impact it will have on rural industrialization, economic multipliers, job creation and import substitution.

Lede van die DFDC-SA bewys reeds dat hulle nasionaal kompetend is en die vermoë het om sagtevrugte van 'n hoë gehalte te produseer. Hierdie jaar was geen uitsondering nie. André Cloete, 'n appel-en peerboer van Greyton in die Wes-Kaap, was die Toyota New Harvest Award 2016 wenner. Hy is die derde lid van die DFDC

A man with a beard, wearing a blue knitted cap and a dark blue jacket, is smiling broadly while working in a field of green plants. He is looking upwards and to the right, with his hands raised towards the foliage. The background is a bright, sunny outdoor setting with more greenery.

om sedert 2014 hierdie gesaghebbende toekenning te wen. Verder het Venecia Janse van die plaas Oudrif, wat die beste kernvrugte in die Oos-Kaap produseer, die toekenning vir die Vroue Entrepreneur van die Jaar gekry en is sy ook as Vroue Uitvoerprodusent van die Jaar aangewys.

We are not yet satisfied that the production units of all our members have reached the levels of efficiency that markets require of them. Therefore we will continue our work to motivate resources and support which is necessary to reach the levels of efficiencies and production outputs that will enable our members to maximise their profitability.

# Fruit Workers' Development Trust

*Wimpie Paulse*  
*Chairperson*

***The Fruit Workers Development Trust (FWDT) is positioned to partner commercial entities in BEE-initiatives to get Enterprise Development points.***

The FWDT is a “qualifying black enterprise” that carries on an investment business for the benefit of its beneficiaries. Any contributions to the FWDT that contribute to expanding its operational and financial capacity will therefore also enable businesses to qualify for Enterprise Development points within the B-BBEE scorecard.

Dit was 'n goeie jaar vir die FWDT. Daar was 'n groei in begunstigdes, en ook kontant voordele vir begunstigdes.

Ons is opgewonde oor die opleidings- en selfontwikkellingsprogramme wat ten gunste van die begunstigdes deur die FWDT aangebied word.

Die FWDT hoop ook om voordele uit te brei en meer begunstigdes te bekom. Ons beleggings doen goed en word goed bestuur, en geleenthede vir verdere beleggings is steeds daar.





# Deciduous Fruit Industry Development Trust

*Ismail Motala*  
*Chairperson*

***The Deciduous Fruit Industry Development Trust (DFIDT) manages the Deciduous Fruit Board's remaining assets, and is administered by HORTGRO.***

Trustees may only allocate the return on capital to projects.

Due to relatively low interest rates the last few years, a decision was made to invest the funds. Currently the DFIDT has R 15, 1 million invested.

The trust approved that R300 000 of the proceeds of the investment be utilised for bursaries at Stellenbosch University.

These bursaries were awarded to six students, of which four are coloured males and two are African males. These students are all in the process of obtaining their BSc Agric degrees. They all received R50 000 each toward their studies.



# Training & Corporate Social Investment

*Astrid Arendse*

*Human Resources Officer*

## Bursary Programme

The HORTGRO Bursary Scheme has 17 undergraduate bursary students and one post-graduate student studying in various aspects of agriculture.

The students are enrolled at Stellenbosch University, Elsenburg Agricultural Training Institution, Cape Town University of Technology, the University of Pretoria and the University of Limpopo respectively.

Hierdie beurse word befonds deur HORTGRO se beursfonds, vergroot deur toelae vanaf AgriSeta. 'n Totaal van R 792 500 is oor die afgelope finansiële jaar in die beursprogram belê. Daarbenewens was 41 nagraadse en PhD-studente in verskeie navorsingsprojekte via HORTGRO Science betrokke. Hierdie beurse beloop 'n verdere R1.7 miljoen.

HORTGRO along with Fruit South Africa exhibited at the University of Pretoria Career Fair, where various agricultural career opportunities were displayed. This career fair served as an opportunity to meet and motivate aspiring students from various high schools interested in a career in agriculture.

## Health & Safety Training

A total of 575 agricultural workers were trained as basic first aid officers, health and safety representatives and as members of health and safety committees.

Health and safety is an important aspect in any business, and the aim of this programme is to enable farm workers to identify risk factors before it becomes a safety hazard.

Basic first aid empowers workers to act fast in the case of emergencies and also provides them with the tools to treat and understand minor cases.

HORTGRO befonds ook 'n program wat op seisoenswerkers se gesondheid fokus, om te verseker dat dié werkers onafgebroke mediese behandeling vir hul kroniese siektes ontvang. Siende dat meeste van dié werkers vanaf die Oos-Kaap kom, het 'n groep medici vanaf gesondheidsorgfasiliteite in daardie provinsie hospitale en klinieke in die Wes-Kaap besoek om 'n kommunikasie-stelsel vir pasiëntlêers op te stel. Die stelsel hou tred met pasiënte en hulle behandeling, wat lei tot gesonder werkers.

**R 2,49 M**

funded to 58 bursary students

**575**

farm workers received health and safety training

**1788**

farm workers received wellness training

**R 100 K**

funded to internship programme

### **Farm Worker Wellness Programmes**

The wellness programme focused on financial wellness, interpersonal skills, substance dependency as well as effective parenting.

These programmes help empower employees with life skills in order to minimise social problems and to better their circumstances.

A total of 1 788 individuals received training, with a further 5 364 indirect beneficiaries on the 14 farms, that were serviced during the past year.

Die behoefte aan die voortsetting van die welstandsprogramme bly hoog en alternatiewe bronne van befondsing sal in die toekoms gesoek word. Die

doelwit is om ondersteuning van produsente te kry, wat hopelik die program as die begin van maatskaplike ondersteuningsdienste op hul plase sal voortsit.

### **HORTGRO Internship Programme**

HORTGRO funded R100 000 to an internship programme run by the Koue Bokkeveld Training Centre. Nineteen interns successfully completed the programme which included on-farm and packhouse training. This was done with an inhouse mentor tracking their performance and growth throughout the programme. The interns also received personal and leadership development training, to better equip them for future career opportunities.



# INDUSTRY SERVICE ENTITIES

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# SAPO Trust

*Dr Phillip Fourie*  
*General Manager*

## SAPO Personnel Activities

During March 2016 SAPO went through a restructuring process that involved the amalgamation of the Pathology and Registration Business Unit (BU) and the Product Development and Evaluation BU to form the new Innovation and Support Business Unit. Burgert van Dyk heads this unit as its new manager. The Nursery BU at Riviersonderend was totally revamped during the process. Paul Stemmet was transferred to Riviersonderend as the Operational Manager.

We lost the services of Ferdi van Zyl (24 years of service), Rudi Vos (10 years of service) and Fred Absalom (8 years of service). Six new appointments were made at Riviersonderend and seven new appointments at Stellenbosch.

Two new appointments were made at Stellenbosch and Riviersonderend. One of our best plant material collectors also had to retire due to ill health.

Frederik Voigt was invited as keynote speaker to present two lectures for the Horticultural Industry in Bonn, Germany; namely an overview on the pome fruit industry as well as the rootstock scenario in South Africa.

## Oorsig van Aktiwiteite in 2016

SAPO se laboratorium is steeds SANAS geakkrediteer en SAPO is 'n ISO9001-geakkrediteerde maatskappy, met 'n vlak 3 SEB gradering.

Belangrike nuwe appelvariëteite, soos BigBucks, Golden Joy en Maribelle, word deur SAPO bestuur.

SASPA, DTD en die IPV het 'n kontrak met SAPO onderteken om die belangrikste onderstamme vir hul bedrywe te vestig en te onderhou.

Four new exiting grape varieties were released to the table grape industry. Joybells from Culdevco,



**Supply of stone fruit plant material increased with 39%, due to the demand for apricot, plums, plumcot and peaches.**

and three raisin grapes Selma Pete, Diamond Muscat and Summer Muscat from California, USA.

The demand for peach and apricot seeds from the nurseries increased with 16%.

Die voorsiening van steenvrugplantmateriaal in die herfs, winter en somer van 2015, het met 39% toegeneem. Dit was spesifiek as gevolg van die aanvraag na appelkose, pruime, pluot en perskes. Hierdie verkope is gelei deur pruime (45%) en perskes (24%).

Die voorsiening van kernvrugplantmateriaal tydens 2015 het met 12% afgeneem (appels het met 26% afgeneem, maar pere het met 16% toegeneem).

For apples, Royal Beaut was in high demand followed by Afri Star, African Red, Granny Smith and BigBucks.

For pears Cape Rose (Cheeky™), Early Bon Chretien, Forelle, Packhams and Rosemarie were prominent.



# Culdevco

*Dr Leon von Mollendorff*  
*Manager*

***Over the past ten years Culdevco (Pty) Limited established itself as a major deciduous fruit licensing player in the international arena.***

We continue to optimise evaluation procedures, to more accurately identify and evaluate stone fruit, pome fruit, and table- and raisin grape cultivars that are both easy to grow with low risk to the growers and easy to sell on all markets. For this, we make use of experienced evaluators, technical advisors, producers and other independent third party organizations to assist in identifying winning cultivars. Culdevco is well-gearred to effectively meet the challenges of the future.

## **Cultivars**

Culdevco currently manages 469 pome fruit, stone fruit and grape cultivars and selections (a breakdown of this number is illustrated on page 48).

During the last ten years Culdevco, in co-operation with the ARC, released 45 new cultivars to the South

African Deciduous Fruit Industry. More information on all released Culdevco licensed cultivars can be found on the Culdevco website ([www.culdevco.co.za](http://www.culdevco.co.za)).

Culdevco continues to pro-actively market the range of released deciduous fruit cultivars under its management locally and internationally. A large number of varieties are in high demand from producers, which is illustrated on page 48.

Of these cultivars mentioned, Afri Star, Afri Blush, Cape Rose (Cheeky™), African Delight, Ruby Star, Ruby Sun, Ruby Crunch, Cascade, Golden Pride, Autumn Crunch and Joybells were released and commercialized through Culdevco.

## **Bemarking**

Twee boordstappe is op die Elgin proefplaas gehou om belangegroep die belowende nuwe laer koue behoefte appels en blospeer kultivars te wys. Ten minste een belowende nuwe appel en drie blospere is geïdentifiseer om op kommersiële plase onder semi-kommersiële toestande en onder verskillende klimaatstoestande geëvalueer te word.

Tydens die steenvrugseisoen is agt boordstappe op die Robertson proefplaas gehou om belangegroepes belowende nuwe steenvrug kultivars te wys. Die boordstappe het getoon dat daar 'n baie groot behoefte is aan:

- + plaaslik gekweekte pruimvariëteite wat relatief weerstandbiedend is teen siekte, met goeie produksiepotensiaal, rooi vleis en 'n gemiddelde vruggrootte van tussen 56 tot 59 mm (AA) – 'n groot aantal opwindende nuwe rooi vleis pruim kultivars word tans geëvalueer en is reeds in semi-kommersiële boorde in verskillende plekke in Suid-Afrika, Spanje en Engeland geplant,
- + blos-appelkose wat goed aangepas is by Suid-Afrikaanse klimaatstoestande,
- + vroeër appelkoosvariëteite (wat saam met Charisma ryp word) wat gepas is vir inmaak,
- + inmaakperskes in die algemeen, maar veral vir variëteite wat vroeër as in weke 6 en 7 en saam met Kakamas ryp word.

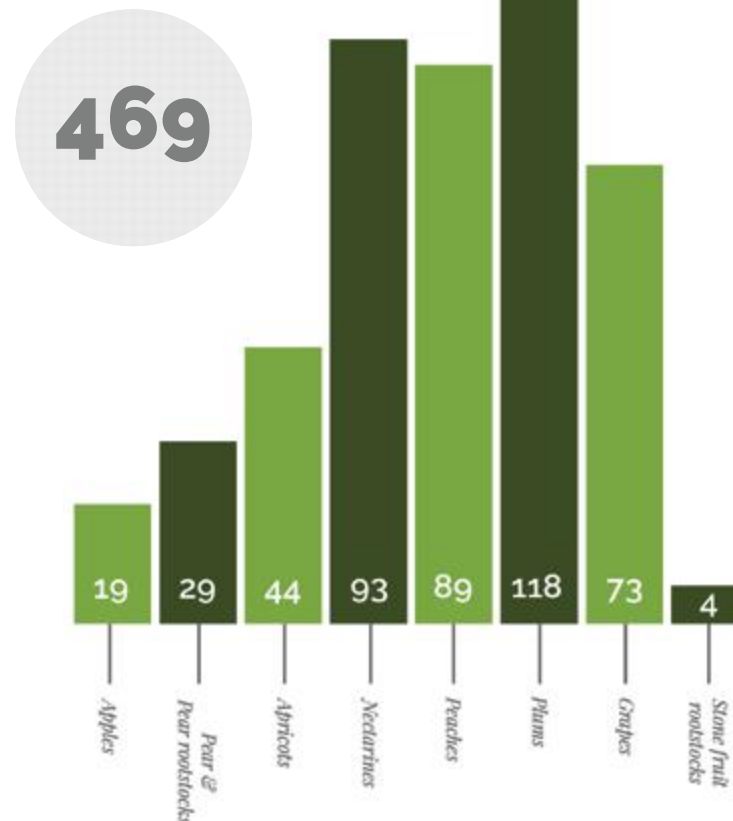
Oor die afgelope jaar het Culdevco besoek afgelê by lisensiehouers in Griekeland, Spanje, Italië en Frankryk om tafeldruiwe, pruime en laer koue behoefte appels te bemark. As gevolg van hierdie besoeke is een nuwe ooreenkoms vir tafeldruiwe geteken.

### Conclusion

The initial ten-year term of the license agreement between Culdevco and ARC ended on the 31st of March 2016. The ARC has since agreed to extend the agreement to finalize the negotiations to renew the agreement. This process is still underway.

The management of Culdevco wishes to thank all stone- and pome fruit, table grape and raisin producers and their associated exporters and marketers for their loyal support to plant and market Culdevco licensed varieties over the last 10 years.

## NUMBER OF SELECTIONS CULDEVCO MANAGES



## CULTIVARS CULDEVCO MANAGES

Apples	African Red, Afri Star and Afri Blush
Pears	Cape Rose and Rosemarie
Plums	Ruby sun, Ruby Star, African Delight®, Ruby Crunch, Sun Kiss and Laetitia
Peaches	Cascade, Keisie, Autumn Crunch, Sandvliet, Golden Pride, Fantasy and Supreme
Table grapes	Joybells

# Fruitfly Africa

*Nando Baard*  
*General Manager*

*Die 2015/16 seisoen was besonders uitdagend wat die beheer van vrugtevlieg (Mediterreense vrugtevlieg) betref.*

Weens die warm, droeë klimaatstoestand wat die seisoen oorheers het, was dit vir vrugtevlieë moontlik om 'n vinniger bevolkingsgroeï te handhaaf weens hul kort lewensiklusse. Die bevolkingsgroeï kon ook vroeër in die seisoen begin. Nogtans het gebiedwye beheerprogramme, sowel as die goeie samewerking van produsente in terme van beheerpraktyke in hierdie gebiede vliegbevolkings suksesvol onderdruk.

Op een uitsondering na, was al die gebiede se gemiddelde bevolkingstellings deur die oes-seisoen laer as in 2011 (voor die aanvang van die vorige vier jaar statutêre maatreëls vir beheer in dié gebiede). Uit agt gebiede, was slegs drie se gemiddelde bevolking oor hierdie tydperk hoër as gedurende die vorige seisoen. In die gebiede waar getalle wel hoër as die vorige jaar was, was getalle egter steeds laag in terme van potensiële risiko.

During the year, Fruit Fly Africa (FFA) undertook an independent cost benefit analysis (CBA) of the area-wide integrated pest control programmes in all the regions. There were two reasons for the study:





+ Firstly, the industry needed to ensure that the continuation of the programme in the different production regions was not only an effective strategy for the reduction of fruit damage and the hedging of the phytosanitary risks, but also that it was a cost-effective method of pest control;

+ Secondly, to determine the cost-benefit ratio of sterile fruit fly aerial releases (with the aid of chilled release technology).

Die resultate het gewys dat selfs al word net die direkte voordele en koste aan die produsent in ag geneem, die voordele wat uit die voortsetting van hierdie program genereer word, meer is as die koste wat daaraan verbonde is. As indirekte koste en voordele, soos verlaagde kouesteri behoefte, risiko verlaging op ander vrugtevlieë (bv. Natal-vlieg en *Bactrocera dorsalis*) en gepaardgaande verbeterde marktoegang by die sommetjie gevoeg word, raak hierdie voordeel-koste-verhouding nog beter. Dit beteken dat die FFA-programme in bykans enige vorm in die onderskeie gebiede 'n positiewe voordeel-koste-verhouding het.

Die FFA statutêre heffing is ook gedurende 2016 hernu. 'n Referendum oor die voortsetting van statutêre maatreëls is deur alle gebiede, behalwe een, gesteun. Twee nuwe gebiede het ook vir die eerste keer tot statutêre maatreëls ingestem. Gegewe

die bevindings van die KVA, sal loslating van steriele vlieë ook voortaan per lug geskied. Sowat 40 000 hektaar sal voortaan gediens word – dit sluit in Wolseley, die Warm Bokkeveld, die Hexrivier en Elgin/Grabouw in) – terwyl ±5 000 hektaar se loslating steeds vanaf die grond sal geskied. Lugloslatings sal voortaan jaarliks van Oktober tot Mei gedoen word. Gedurende die res van die jaar sal probleemgebiede (sogenaamde “hotspots” via deurlopende monitoring geïdentifiseer word) en alternatiewe gasHERE steeds vanaf die grond geteiken word.

To comply with the number of sterile males for the new strategy, production at the facility in Stellenbosch was increased to 56 million sterile male flies per week from September 2016. A number of changes in the production process meant that the production cost per unit dropped, while the quality of the flies is continuously increasing. FFA also is full of confidence that the implementation of the area-wide control programme, which includes the sterile insect technique (SIT), will unlock even more value for producers in the future as has been the case up until now.

Ons bedank ook graag die oorgrote meerderheid van produsente in die verskillende produksiestreke vir hulle voortgesette ondersteuning en samewerking. Hierdie programme is deur



die bedryf in plek gestel om die risiko wat vrugtevlieë teweeg bring, te bestuur. Die sukses daarvan hang grootliks van die samewerking van alle produsente af.

Ons dank ook aan die departement van landbou, bosbou en vissery vir hulle voortgesette betrokkenheid en finansiële ondersteuning om monitoring en bestryding van ander insekte soos *Bactrocera dorsalis* moontlik te maak. Die geveg is egter ver van gewen en FFA sien daarna uit om oor die volgende vier jaar bevolkingsbeheer steeds beter toe te pas deur die verfyning van bestaande tegnieke, die toepassing van nuwe tegnologieë en volgehoue aanpassing by veranderende produksie, markvereistes en behoeftes.



# ALTERNATIVE CROPS

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# Cape Flora SA

*Dr Lynn Hoffman*  
*Chairperson*

*The constantly changing global economy, and other factors such as the local drought, made the period 2015-2016 particularly challenging. Still this period has been an exciting time of growth for Cape Flora SA (CFSA) as a newly formed industry body in its second year of full operation.*

During this period, Karien Bezuidenhout has been appointed in a shared relationship as joint manager of CFSA and SA Olive respectively. Her role is to drive the operational side of CFSA and also to take responsibility for the management of the Joint Market Forum (JMF), SA Flower Export Council (SAFEC) and the administration of the International Protea Association (IPA).

Die vereniging se statutêre maatreëls en hernuwing van die heffing soos goedgekeur deur sy lede, is ook suksesvol gemotiveer aan die NLBR (Nasionale Landbou Bemerkingsraad). Die maatreëls is gebaseer op die Cape Flora SA se 'Go to Market Strategy', wat as raamwerk vir alle aksies en doelwitte dien. Die aansoek is op 29 April 2016 in die Staatskoerant gepubliseer en is geldig vir 'n 4 jaar periode. Die heffing is van toepassing op alle fynbos produkte wat in die koue ketting uitgevoer word.

Die stabiele befondsing wat spruit uit die heffingsstelsel, het Cape Flora SA in staat gestel om gedurende 2016 ook bykomende fondse vir navorsing en ontwikkeling te bekom.



Dié fondse spruit uit die Wes-Kaapse Departement van Landbou se alternatiewe-gewassefonds, die Departement van Wetenskap en Kuns se 'Post Harvest Innovation Fund', die Departement van Handel en Nywerheid en onlangs ook die Tafelbergfonds van die Wêreldnatuurfonds (WWF).

The application of Cape Flora to be recognized as a Geographical Indicator (GI) which will offer protection to unique products of a specific origin, has made significant process under the guidance and assistance of Ms Bongiswa Matoti and Dr Dirk Troskie from the Western Cape Department of Agriculture. The recent entry into force of the Economic Partnership Agreement (EPA) agreement will also ensure that fynbos products will in future (as from 1 November 2016) enjoy duty free quota free access to the European Union (EU). This will mean an increase of between 6,5% and 8,5% of payments on farm level which should enhance the industries' profitability and assist with new plantings.

Funding from the EU and WWF Nedbank Green Trust enabled significant progress to be made on the Sustainable Harvesting Programme (SHP) of the wild portion of the industry.

SHP aims to develop an assurance programme to provide an integrated approach towards social and labour issues. A highlight of this programme was the release of a Field Guide In English, Afrikaans and Xhosa) for Wild Flower Harvesting aimed at fynbos harvesters and landowners. The guide provides information on fynbos, the threats to fynbos and the need to harvest responsibly. It also describes 41 fynbos species picked on the Agulhas Plain for the market. The Field Guide was produced in partnership with the Universities of Durham and Newcastle, through the Newcastle University's Economic and Social Research Council Impact Acceleration Scheme.



# Pomegranates Association of South Africa

*Jack Wittles*  
Chairperson

***The 2016 pomegranate season delivered excellent results. A record volume of approximately 1,2 million cartons (4,3kg equivalent) were exported. This is 22% more than in the 2015 season.***

The quality on arrival was much improved in comparison with previous seasons, whilst the favourable exchange rates favoured growers and exporters alike.

It is anticipated that the industry's production will almost double in the next four years. This is mostly due to the fact that orchards already planted are not yet in full production, as well as the continued steady rate of planting of new orchards.

The three main varieties of pomegranates being planted are, Wonderful 55%, Herskowitz 22% and Acco 14%.

Approximately 86% of the fruit delivered for packing was exported and 8% was juiced. The main markets to which the fruit was exported were the EU 59%, the Middle East 15%, the Far East and Asia 9%, and the UK 8%.

## BREAKDOWN OF FRUIT DELIVERED FOR PACKING



The local market for fresh pomegranates is not growing as we would like, and a promotional program is under consideration. However, the production and sales of pomegranate juice has grown dramatically in the last two years.

The latest study indicates that pomegranates in full production (as from year 8) are yielding a Net Farm Income of R128,000 per hectare.

A statutory levy is now in place on all exported fruit. This income allows Pomasa to fund both research and chemical registrations which is a critical need for the industry.

With the exception of the threat posed by the possible regulation of False Codling Moth in export markets, the future of the pomegranate industry in South Africa looks encouraging.

*European Union*



**MAIN  
MARKETS FOR  
POMEGRANATE  
EXPORTS**

*Middle East*



*Far East & Asia*



*United Kingdom*





# South African Berry Producers' Association

*Tiaan Steyl*  
*Chairperson*

***The South African Berry Producers' Association (SABPA) was established in 2011 with the aim of creating a structured platform, through which common industry issues and needs can be addressed for the mutual benefit of its members.***

Members consist of producers in the blueberry, blackberry and raspberry industry. The blueberry segment of the industry constitutes 80% of the total berry industry.

Regular meetings, as well as the annual general meeting in August, were held during the course of the year.

Die volgende kwessies is aangespreek:

- + Aanstelling van 'n koördineerder om die administratiewe kapasiteit van die bedryf te verhoog.
- + 'n Opname om statistieke vir die bedryf by te werk.
- + Om die Suid-Afrikaanse bessiebedryf uit te brei, moet nuwe uitvoermarkte ontgin word.
- + Een van die vernaamste kwessies is die moeite om chemikalieë te registreer omdat bessies 'n "minor crop" is. Die enigste manier om hierdie saak op te los, is om aksies deur die SABPA te koördineer.

# SA Cherry Growers' Association

*Koos Pretorius*

*Chairperson*

***Kersie produksie in Suid-Afrika het in die 2015 seisoen vir die eerste keer deur die 1000 ton produksievlak gebreek.***

Uitvoere het in dieselfde tyd met 254 % gestyg, alhoewel dit nog steeds slegs 31% van die produksie verteenwoordig.

Die meeste kersies is weereens in die Wes-Kaap geproduseer. Limpopo, Mpumalanga en die Vrystaat het gesamentlik ongeveer 25% van die produksie-opbrengs gelever. Altesaam 51% van die kersie aanplantings is in die Wes-Kaap. Slegs 11 produsente in die land beheer 82% van die aanplantings.

Tans is daar in Suid-Afrika ongeveer 230 hektaar kersies in produksie. Dit is 'n groei van 31% oor die afgelope tien jaar. Daar is egter bestellings by kwekers vir nog ongeveer 600 hektaar se aanplantings.

Large extensions are being planned in the Western Cape and Northern Province. Cherry plantings of cherry cultivars with a low chilling requirement are being planned in warmer areas in the Western Cape. These new developments will probably give rise to a number of challenges for the industry, since the commercial success or otherwise thereof is not assured for all new plantings.

However, the new plantings will definitely improve the supply of the South African cherry industry worldwide and can only have a positive influence on it.

Alhoewel die plaaslike mark negatief beïnvloed mag word, word die oorgroter meerderheid van die nuwe kersie aanplantings vir uitvoere geoormerk. Dit kan tot verdere werkskepping en valuta verdienste lei wat die algemene vrugtebedryf sal bevoordeel.





# South African Honeybush Tea Association

*Eugene Smith*  
*Chairperson*

*South Africa's honeybush industry is still very young and produces less than 800 tons per year.*

Most of this crop is exported to countries such as the Netherlands, Germany, the UK and the USA. As an unique and indigenous fynbos crop, honeybush has an exclusive selling point and significant potential to be marketed and positioned as a niche product in speciality tea markets around the world.

The South African Honeybush Tea Association (SAHTA) as the representative industry body was formed in 1999 to coordinate activities in the Honeybush Tea industry. SAHTA's directors are elected from producers, processors, nursery owners and BEE partners. SAHTA, in conjunction with government departments, also take part in the creation of a 'Community of Practice' to help and support the social upliftment of rural communities.

SAHTA aims to promote a competitive and profitable honeybush industry in South Africa, equal entry and participation in the industry and the sustainable use of environmental resources.

SAHTA assist with a wide variety of needs in the industry, including:

- +Promote the cultivation, sale and export of Honeybush Tea
- +Assist authorities to regulate and control wild harvesting of honeybush
- +Promote biodiversity-friendly farming practices and nature conservation
- +Promote and support product and production research

# SA Olive

*Nick Wilkinson*  
*Chairperson*

***World olive oil production for 2016/17 is forecasted at 2,9 million tons which is a 7% decline over 2015/16 with overall demand forecasted to exceed supply.***

Here in South Africa, the drought has put severe pressure on production but our industry has shown great resilience. Local production of olive oil continues to grow and current production estimates are 2,7 million litres.

Hierdie groei in die bedryf word ook weerspieël in die verhoogde aantal plaaslike ekstra-suiwer olies wat in die jaarlikse SA Olive-toekennings deelgeneem het. Inskrywings vir hierdie toekennings het ook met 20% toegeneem en die kwaliteit bly uitsonderlik. 'n Totaal van 36 goue medaljes is in drie kategorieë toegeken en 10 finaliste is vanuit die top presteerders in die SA Olive-toekennings gekies om aan die Absa Top 5 Kompetisie deel te neem.

International appreciation for the quality of South African extra virgin olive oil continues to grow, as demonstrated by the accolades won by a number of our producers at prestigious international competitions.

Engagement with government has been active. Our olive oil standard was published by SABS and now awaits formalization as regulation by the Department of Agriculture, Forestry and Fishery. The table olive standard was published in the Government Gazette and will serve to set a benchmark for all producers and processors. The application for



countervailing duties unfortunately was not successful and this process had to be stopped on advice that it is unlikely to be successful in its present format.

'n Generiese strategiese plan vir bemaking neem vorm aan en die boustene daarvan is reeds met regeringsamptenare en ander belanghebbendes gedeel met die doel om sinergieë en befondsingsgeleenthede te identifiseer om ons invoer- plaasvervanging en uitvoer- ontwikkelingspogings te ondersteun.

Gereelde toetsing van olies sal in die volgende paar maande hervat word as deel van 'n voortgesette poging om verbruikers op te voed en hulle te beskerm teen die koop van sub-standaard of vals olyfolies. Olies sal vir toetsing gekies word op grond van 'n minimum prysdrempel wat op Europese prysindekse geskoei is.

Our voluntary Commitment to Compliance (CTC) quality scheme continued to run effectively thanks to the stellar work of our Organoleptic Tasting Panel (OTP). The OTP meets on a fortnightly basis to taste and rate olive oil samples, in line with internationally accepted methods. The leader of our tasting panel, Reni Hildenbrand, was invited by Olives New Zealand to be the leading judge in their annual olive oil competition. Not only did she perform this prestigious duty but she also presented courses in New Zealand showing that South Africa is a force to be reckoned with.

The statutory levy continues to form the lifeline of the industry with a second 4-year period approved by the Minister of Agriculture. The number of registrations have increased steadily through the past 4-year period, thanks also to stricter enforcement on our side. There continues however to be no effective mechanism to track imports of olive products into our country.

Our focus in the months ahead will remain firmly on educating the consumer, the pursuit of quality and sustainable growth for our industry.



**the current local  
production rate for  
olive oil is  
2,7 m  
litres**



**36**

**gold medals were  
awarded at the 2016  
SA Olive Awards**

# South African Pecan Nut Producers' Association

*André Coetzee*  
*Chairperson*



*Die uitermate hoë temperature tydens kritieke tye die afgelope seisoen, en die effek van die droogte in sekere streke, het die 2016 oes beslis nadelig beïnvloed.*

Die presiese effek is moeilik om te bepaal, maar die produksie van 10 900 ton was slegs 4% meer as die van 2015. Gegewe die aantal aanplantings die afgelope jare, is dit 'n heelwat laer toename as wat verwag is.

Die Suid-Afrikaanse pekanneutbedryf groei steeds teen 'n ongekende tempo. Die groeiende boomverkope dui daarop dat die produksie aansienlik sal toeneem sodra die nuwe aanplantings in produksie kom. Die verwagting is dat die jaarlikse produksie binne die volgende vyf tot ses jaar kan verdubbel.

During the past year a strategic plan for the next three years was developed and SAPPA's mission was confirmed as: **"We create an environment that promotes the sustainable profitability of our producers in a unified pecan nut industry".**

The critical success factors of the strategic plan includes:

- + Research
- + Communication
- + Training
- + Finances
- + Market Access

The biggest portion of the budget is spent on research and two projects were initially identified.

- + A project conducted by the ARC in Bethlehem on the development of an integrated pest management strategy is entering its final year. The results may lead to further research; and
- + A project by the University of the Free State on plant pathogenic risks associated with pecans in South Africa has been concluded. From the results of this project six new possible projects were identified for further research.

Kommunikasie binne die bedryf het in die afgelope twee jaar aansienlik verbeter en sal steeds die aandag kry wat dit verdien. 'n Verwerkersforum is tot stand gebring en alhoewel die SAPPA raad en die verwerkers, as gevolg van hul verskillende oogmerke, nooit oor alles sal saamstem nie, het beide partye aanvaar dat daar een gemeenskaplike belang is – die Suid-Afrikaanse pekanneutbedryf.

Met die verdere groei in die bedryf en die groot aantal nuwe toetreders, is daar 'n groot behoefte aan inligtingoordrag en opleiding. Gedurende die afgelope jaar is 'n pekanneutproduksie kursus deur drie Amerikaanse- en plaaslike kundiges aangebied. Daar word ook 'n kursus vir nuwe toetreders gedurende 2017 beplan.

Export Standards and Requirements for In-shell Pecan Nuts were approved and implemented during 2016. The export standards committee consisting of SAPPA directors, producers and processors, worked for more than a year to make this possible. This can be seen as an example of what can be achieved when all the role players in an industry work together.

Due to the small number of black farmers in the industry and the high costs of establishment, and long period before trees come into production, a long term view has to be taken with transformation projects. SAPPA has committed to a relationship of at least ten years when beneficiaries are selected. Some of the projects are entering their third year with very positive results. With a slow start in the first two years after the introduction of the statutory measures and industry levy, we can now report that we are well on track to introduce more black farmers into the pecan industry.

Die voortslepende droogte kan baie nadelig vir die 2017 seisoen wees aangesien waterbeperkings reeds in die belangrikste produksiegebiede langs die Vaal- en Oranjeriviere ingestel is. Goeie reën sal egter bydra tot 'n goeie oes wat tans baie belowend lyk.



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