Adolf Kieviet

October 2018 to September 2019

The words ‘fresh produce’ bring forth visions of all the colours and tastes known to mankind... People and businesses sell their fresh products in many different ways and formats. From high-end retailers to wet markets; produce is sold to billions of people on a daily basis. HOW the sale is made, is of the utmost importance. Here, culture plays a big part in the types of display, the packaging required and the products sold. Knowing and understanding different cultures and the way they affect the buying patterns of consumers is something that evolves over time. Have we, as the South African fresh produce industry, really captured the minds and loyalty of our consumers in faraway countries?

We need to take the abovementioned into consideration, together with terms like ‘blockchain’ and the ‘fourth industrial revolution’, when deciding on a marketing strategy. But, more importantly, we need access to new and growing markets for our increasing production of all things fresh.

The past year again showed us how connected the world is and how traditional trade routes can change instantly. With the US and China engaged in a prolonged trade war, the impact on our export campaign for table grapes was huge. Upon entering the European market, we had to compete with countries NOT normally in this market, since their traditional markets had sufficient supply from other countries also affected by the trade war.

At the same time, South African shippers did not have an easy time of it with the ever-increasing pressure on our shipping regimes due to false codling moth (FCM). To top it all, our shipping port in the Eastern Cape experienced crippling labour action that has cost the fresh produce industry millions in earnings. Scoring an ‘own goal’ in the midst of our citrus season is not the way to win the hearts and minds of our customers, considering that the competition already has unfair advantages in the form of reduced tariffs and access for a whole range of their products. We need to supply our customers with high-quality produce on a consistent basis throughout the year.
But, there is hope. Through our industry’s approach of engaging with the Department of Trade, Industry and Competition (dtic), the Department of Agriculture, Land Reform and Rural Development (DALRRD) and other role players, we believe that there is renewed energy within the sector to help us grow our access to markets at a faster pace.

The fresh produce industry currently contributes more than 50% of the foreign income generated by the agricultural sector. Surely we should get the lion’s share of the time and energy spent on market access issues? Through our membership of Fruit SA and our collaboration with the growers’ associations, we continue to drive market access as one of the main priorities of the FPEF.

However, we also need to show what we as an industry is doing regarding transformation. This is not merely a nice-to-have, but a business imperative in South Africa. Johannes Brand, our Transformation Coordinator, has again hosted a successful Transformation Seminar and our internship programme continues to break new ground. Many other transformation projects are also underway in our industry. We should celebrate these successes.

Under the leadership of Anton Kruger, the FPEF personnel work tirelessly for our members. Through our engagement with Government, SARS, the National Ports Authority, the rail and road authorities and other stakeholders, we make the voices of our exporters heard. Please engage with us about issues that concern you. Collectively, we will find solutions. Once again – our strength is in our unity!

The FPEF Board of Directors is made up of exceptional people and I would like to thank them for their support. In particular, I would like to thank Anton Kruger and the FPEF personnel for their hard work and tireless efforts in ensuring that the FPEF flag is waved worldwide and the voice of the industry is heard.

Regards,

Adolf Eierd
Chairman – FPEF Board of Directors
Over the past year, changes on the international and the domestic front put the South African fresh produce export industry under pressure. These changes were primarily centred on international events, but also included fluctuations in climatic conditions, changes within the national regulatory and legislative environments, as well as the outcome and impact of the South African general election.

Amongst other things, the national and provincial elections led to the establishment of a new ministry that is of crucial importance for our industry – the Department of Agriculture, Land Reform and Rural Development (DALRRD) was established to replace the former Department of Agriculture, Forestry and Fisheries (DAFF). We are confident that this is a positive change, since the new Minister of Agriculture, Ms Thokozile Didiza, is well-versed in this field, having served as Minister of Agriculture and Land Affairs in previous years.

The FPEF has always worked closely with the Department of Trade and Industry – now the Department of Trade, Industry and Competition (dtic). Following our recent engagement with the new Minister of Trade and Industry, Mr Ebrahim Patel, the FPEF – in our capacity as the official Fresh Produce Export Council, remains committed to a productive relationship with the dtic in order to contribute to the sustainability and profitability of the industry.

After approval of the Export Council’s business plan, the dtic funded our participation in Fruit Logistica Berlin, Asia Fruit Logistica, World Food Moscow and Foodex Japan, whilst other international trade fairs and events were funded by the industry. The approved business plan of the Export Council, together with quarterly progress reports, led to a matching grant of R1 million, which was received and transferred to Fruit SA – in accordance with a Memorandum of Agreement (MOA) between the FPEF and Fruit SA.

Despite the challenges, South Africa remains the largest exporter of fresh fruit volumes amongst member countries of the Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE). However, South Africa is listed in sixth place in terms of value – due to the lack of free trade and/or preferential agreements with prioritised Asian countries.

Response to challenges
In a strategic move, Fruit SA members (the FPEF, HORTGRO, the CGA and SATI) have established a Fruit Desk at the Agricultural Business Chamber (Agbiz). The objective of this initiative is to ensure that matters affecting our industry, such as policy, regulations and market access, are addressed via established structures that regularly engage with the National Economic Development and Labour Council (Nedlac), the Presidential Economic Advisory Council and other relevant entities.
These actions are focused on enhancing market access and reducing tariffs and duties in importing countries – in support of our internationally competitive position.

The FPEF Board of Directors has reconfirmed market access and transformation as our primary strategic focus areas and this is also reflected in our budget. As mentioned in previous Annual Reports, the industry will have to assist Government on a more regular basis due to capacity constraints within Government.

South African Embassies abroad provide our industry with valuable assistance during these visits. In turn, we provide support by donating fruit, marketing material and copies of the FPEF Export Directory to some of the events hosted by the Embassies. These actions also help to raise awareness of South African fresh produce.

Changes within the national regulatory and legislative environments require involvement from the FPEF to promote and preserve the interests of the fresh produce export industry. The most relevant regulations and legislation include:

**The Agricultural Produce Agents’ Act**
It is of concern that this Act is outdated (in force since 1992) and does not provide for the deregulated, free market conditions in which the fresh produce export industry operates. We are constantly engaging with the Agricultural Produce Agents’ Council (APAC) to ensure consideration of the unique position of fresh produce export agents. The newly appointed Registrar was invited to become a member of the FPEF Board of Directors – with observer status.

**The National Road Traffic Act**
The prohibition on the use of high-cube containers on South African roads, which will be in effect from 1 January 2020, is a serious matter. This is being addressed collectively by the Fruit SA Logistics Committee and other affected industries.

Since the FPEF is essentially a service organisation, we are continually striving to create value for our members. It is therefore good to note a steady increase in our membership numbers. Furthermore, I am pleased to announce that the FPEF has again received an unqualified audit report.

Over the past year, Fruit SA and its member associations continued to drive market access collectively in order to gain, retain and optimise access for our products in priority markets. In this regard, market access and development visits were undertaken to China, Japan, India, the Philippines, Vietnam, South Korea and Thailand.

I am glad to report that more than 99% of our members have paid their membership fees. This is quite an achievement for a voluntary, non-profit industry association that is reliant on funding. I would therefore like to thank all of our members for your support, which enables us to maintain and enhance our service delivery for the benefit of the fresh produce export industry.
Transformation within our industry is still an issue of the utmost importance — it must be addressed and managed proactively. Our previous transformation strategy was focused on training and internships in particular. However, it has become clear that Government now requires an emphasis on black exporter development. This led us to revise our transformation strategy, along with the development of a proposal for a ‘pre-shipment finance scheme’.

The third FPEF Transformation Seminar was hosted in September 2019. This successful event featured Prof. Muhammad Karaan and Prof. Mzukisi Qobo as speakers. In addition, the revised and third edition of the FPEF Basic Trade Chain Manual was launched this year. This manual is used by our members for induction training and it also forms part of the Top of the Class training programme.

I would like to thank the FPEF team for their hard work and dedication: Marinda Roux who manages our finances diligently, Junette Davids who manages the Post-Harvest Innovation Programme in an extremely effective manner, Marletta Kellerman who ensures that our increased generic promotional activities are of a high standard, Werner van Rooyen who manages operational and technical matters with various stakeholders, Johannes Brand who drives the ever-complex transformation matters with great efficiency, and Claudia Walklett who handles our membership matters, social media platforms and website.

I would also like to thank the FPEF Board of Directors, under the competent leadership of Adolf Kieviet, for the guidance and advice they have provided. Their time and efforts are highly appreciated.

Regards,

[Signature]

FPEF CEO

The Post-Harvest Innovation (PHI) Programme is a public-private partnership; co-funded between Government – the Sector Innovation Fund of the Department of Science and Innovation (DSI), and the industry. The Programme is going from strength to strength since the launch of its latest and fourth phase in January 2019.
Werner van Rooyen

Despite the fact that legends in the South African fresh produce industry have created a fruit sector that operates in a well-structured institutional environment, real challenges were faced in 2019. These challenges in the export supply chain were evident – not only in the commercial environment, but also in the regulatory and political environments. At the same time, the role of the FPEF has evolved to synchronise operations and provide a well-rounded service to all of our members. From the initial goal to provide mostly generic marketing and promotional services, the FPEF has now become the voice of our exporters in operational activities that affect the entire export supply chain.

Transportation of high-cube containers – Regulation 224 (b)

A moratorium exempting ISO high-cube containers to be transported on South African public roads, binding for seven years, was announced on 22 September 2011 in notice R77.6 of Government Gazette 34621. In 2018, the moratorium was extended for one more year – until 31 December 2019.

The regulation on height limits originates from the National Road Traffic Act (93 of 1996), with specific reference to Regulation 224: “No person shall operate on a public road a motor vehicle together with any load thereon, the overall height of which (a) in the case of a double-decker bus exceeds four comma six five metres; and (b) in the case of any other motor vehicle exceeds four comma three metres.”

Regulation 224 (b) makes it illegal to transport high-cube containers on flat-deck trailers, since the height of the trailer deck is usually 1500-1590 mm from road level. This gives an overall height (container plus trailer) of 4486-5000 mm, which amounts to an exceedance of 20 cm or more, but less than 30 cm, according to the regulation.

The FPEF was part of a task team, established by the former Minister of Transport, Dr Blade Nzimande, to investigate the regulation in terms of safety and its economic impact. A second tender process ensued, after which the industry submitted a proposal for the amendment of the regulation to the Department of Transport on 19 September 2019. Feedback on the industry’s case is awaited.
Direct citrus shipment to port in Spain

In 2019, the CGA and the FPEF collaborated on a project to normalise citrus fruit trade to Spanish ports. During initial discussions and meetings, which commenced in October 2018, the ports of Vigo, Tarragona and Algeciras in Spain were identified as potential ports of entry for South Africa. This was followed by an industry visit, during which certain conditions were presented to manage the phytosanitary risk.

Some of these conditions included:

- standard sampling as per current emergency measures and legislation in the European Union (EU);
- finalisation of the official phytosanitary reporting procedure to the Department of Agriculture, Land Reform and Rural Development (DALRRD) – with a copy to the CGA and the FPEF within three working days of arrival; and
- continued trade, without special conditions, as stipulated by EU legislation.

These conditions were favourably received by all parties at the three Spanish ports, and it was agreed that it provided the industry with sufficient assurances to manage the phytosanitary risk. The information was presented to the working group at the CGA and it was decided that a pilot project would be launched at the port of Vigo — the most suitable port, in 2019.

A total of 35 containers of South African citrus were shipped to the port of Vigo successfully, which proves the integrity of our existing system for mitigating the phytosanitary risk. This system is based on scientific justification with various control points to meet EU phytosanitary requirements. In addition, the pilot project was successful under current normal sampling according to EU emergency measures and legislation. This creates new possibilities — normalising the South African citrus trade by shipping directly to other ports in Spain will lower the cost of exports to this country in the foreseeable future.

Port of Vigo, Spain.
Fruit Logistica Berlin 2019
The largest fresh produce trade fair in the world attracted more than 78 000 trade visitors from 135 countries this year. A total of 3 200 exhibitors from 90 countries ensured a complete overview of the international fresh fruit market.

Like the previous year, the 400 m² South African pavilion was located in Hall 26 – exclusively dedicated to the African continent. The Department of Trade, Industry and Competition (dtic) funded the national pavilion, which was shared amongst 23 co-exhibitors – including the FPEF and 17 of its members – each with an own stand on the national pavilion.

Overall, the event was very successful for the South African industry. Our stand was well-designed and a hive of activity as meetings were conducted almost constantly and a vast amount of trade visitors were accommodated.

The next Fruit Logistica Berlin is scheduled for 5 to 7 February 2020.

Foodex Japan 2019
Foodex Japan is the largest food and beverage trade fair in Asia. It was the third time that the FPEF participated as a co-exhibitor at the South African pavilion, which was organised by the dtic. A good number of enquiries regarding the progress of market access were received from Japanese buyers and importers. This confirmed the objective of our participation, which was focused on market access matters and the trade relationship between the South African and Japanese industries. The FPEF will not participate in this fair next year, due to the fact that a national pavilion will not be organised for 2020.

The next Foodex Japan is scheduled for 10 to 13 March 2020.

Fresh Produce India 2019
The FPEF participated in Fresh Produce India, hosted from 24 to 26 April in Mumbai, as part of a Fruit SA delegation. It was the fifth consecutive year that Fruit SA was a gold sponsor at this leading and only annual fresh produce conference event in India. Apart from representing the South African fresh produce export industry at the fair, the objective of the visit was also to engage with the Indian Government on market access issues and to gain insight into the current dynamics of the Indian fresh produce trading environment.

The next Fresh Produce India is scheduled for 22 to 24 April 2020.
Asia Fruit Logistica 2019
Due to the recent and ongoing protests in Hong Kong, postponement of the fair to a later date was considered. However, the organisers of the fair decided against it after consultation with the exhibitors. The political unrest had some impact on attendance, but not as high as expected with visitor numbers reaching almost the same level as in 2018.

The dtic sponsored the South African pavilion, which was shared amongst 21 co-exhibitors – including the FPEF and 13 of its members. The design of our stand was attractive and functional, whilst additional dividers were added by the FPEF to ensure more privacy for the co-exhibitors. This enabled a stand, constantly busy with back-to-back meetings, and a successful fair for the South African industry.

Please note that the next fair will be hosted towards the end of September, due to the national election that will take place in Hong Kong in September 2020.

The next Asia Fruit Logistica is scheduled for 23 to 25 September 2020.

World Food Moscow 2019
World Food Moscow is the largest food and beverage trade fair in Russia. This year, the fair was hosted at a new venue outside of the city. Despite fears that this would have a negative impact on attendance, the turnout was actually higher than the previous year with 30 768 trade visitors from 80 Russian regions and 98 countries.

The South African pavilion, organised and funded by the dtic, was shared amongst the FPEF and other co-exhibitors from different food sectors. FPEF members were also able to conduct meetings at our stand. Our presence at World Food Moscow helped to raise awareness of the South African fresh produce export industry and enabled the FPEF to gather valuable trade leads that was communicated to our members.

The next World Food Moscow is scheduled for 22 to 25 September 2020.

China International Fruit and Vegetable Fair 2019
Fruit SA members – the FPEF, SATI, the CGA, HORTGRO and Subtrop, participated in the China International Fruit and Vegetable Fair (China FVF) in Beijing this year. Our participation was fully funded by the industry and organised as a conference with the focus on information exchange. Around 30 speakers delivered presentations on fresh produce marketing and the related logistics. The FPEF CEO’s presentation was titled, ‘South African Post-Harvest Innovation and Research’.

The South African fresh produce export industry ensured a strong presence at this two-day event. Fruit SA sponsored bags and name tag holders (branded with the Fruit SA logo) that were handed out to participants, whilst our national stand was strategically placed and colourfully designed to promote South African fruit – particularly with focus on the excellent past season for citrus and apples.

The next China FVF is likely to be scheduled for September 2020.
Fruit Attraction Madrid 2019
In 2018, the FPEF participated for the first time in the Fruit Attraction international fruit and vegetable trade fair. After the event, the South African stand attracted such overwhelming interest and generated such positive feedback from FPEF members that we decided to organise a stand again this year. Our participation at the fair (hosted in October 2019 in Madrid, Spain) was funded by Fruit SA members – the FPEF, SATI, HORTGRO, the CGA and Subtrop.

During a small ceremony, our national stand was officially opened by the South African Ambassador in Spain, Ms T.E. Mtintso, and the FPEF CEO. Even though the stand was somewhat bigger (88 m²) and more visible than the previous year, additional tables and chairs had to be obtained to ensure enough meeting space in order to accommodate as many companies as possible.

The next Fruit Attraction is scheduled for 20 to 22 October 2020.

China International Import Expo 2019
The second China International Import Expo was hosted from 5 to 10 November in Shanghai. It was the first time that the FPEF attended this event and co-exhibited at the South African pavilion in its capacity as Fresh Produce Export Council – upon the request of the dtic.

The next China International Import Expo is likely to be scheduled for November 2020.

FPEF Export Directory 2019
The FPEF Export Directory continues to be a source of useful information for local and international markets. It serves as the official South African brochure at national pavilions, focused on fruit and vegetables. In 2019, 5000 copies were printed and distributed to our members; at fresh produce trade fairs and to South African Embassies worldwide. USB cards provide the convenience of the Export Directory in digital format. This format is increasing in popularity – 1000 USB cards, containing the Mandarin and English versions of the directory, was distributed at Asia Fruit Logistica this year.
Claudia Walklett

Governance

In 2019, the FPEF Board of Directors comprised of 16 representatives of the fresh produce export industry. The FPEF is proud to have Board members from diverse backgrounds within the industry; offering a wealth of knowledge and experience. The Board ensures that we maintain efficient and transparent systems to keep our members’ best interests at heart.

The FPEF hosted a successful and well-attended Annual General Meeting (AGM) at Glen Carlou Vineyards in Klapmuts on 28 November 2018. Upon voting at the AGM, the majority of the 2018 Board members indicated their availability to stand for re-election in 2019 – with the exception of Geoff Croxford (Seaboard International) and Wiekus Hellmann (Green Marketing).

Four new Board members were elected, namely Ryno Bougas (Green Marketing), Annelie Haumann (Stems Fruit), Wayne Mudge (Cape Five Export SA) and Jan Plenaar (Grape Alliance Marketing).

The following Board members were re-elected for the year under review:

- Patrick Bird – Dole South Africa
- Charl du Bois – Capespan South Africa
- Juliette du Preez – SRCC Marketing
- Charl du Toit – De Keur Marketing
- Trevor Dukes – The Fruit Farm Group
- Lucien Jansen – Perishable Products Export Control Board (PPECB)
- Sarel Joubert – In2Fruit
- Adolf Kieviet (Chairman) – Freshworld
- Dr Mono Mashaba – Independent Consultant and Fruit SA
- Ryno Palm – FVC International
- James Perch – SAFPRO
- Nico van Staden – Core Fruit

In 2019, the majority of Board meetings were hosted at the FPEF offices in the Colosseum Building, Century City, on the following dates:

- 23 January
- 22 May (hosted at the Dole offices)
- 21 August

Membership

The FPEF membership count, which currently stands at 140 members, is steadily increasing. During the period under review, the FPEF had the pleasure of approving six exporter and five associate membership applications. It is important to note that those of our members, who act as agents, are registered with the Agricultural Produce Agents’ Council (APAC), which is one of the considerations for FPEF membership.
Communication

Social media and bulk SMS
Twitter is an effective online communication platform, since it provides the FPEF CEO with the opportunity to post tweets and share photographs whilst attending international fresh produce trade fairs and other industry events. FPEF members are herewith invited to follow and connect with us on Twitter, using the @FPEF_SA handle.

The FPEF Facebook page is used to share relevant industry information and also to promote articles that showcase some of our exporter members.

Apart from communication via social media, the FPEF uses the bulk short message service (SMS). It is not only a handy tool for sending reminders to members, but the immediacy of bulk text messaging is ideal for conveying urgent messages regarding port closures and other high-priority industry news.

Website
The FPEF website is successfully used to inform our members about industry news as well as upcoming events, such as meetings and trade fairs, taking place throughout the year. From a business perspective, potential importers can download the FPEF Export Directory from our website. Apart from useful graphs and export statistics, this publication lists all FPEF members with their contact details.

Newsletters
‘Keeping it Fresh’ is a bimonthly newsletter that informs our members about current industry events and the FPEF whereabouts as and when they happen. We also distribute various newsletters on a weekly basis on behalf of our industry partners, including Agbiz, Agri-Hub, SIZA, the CGA and HORTGRO.

Final note
“The strength of the team is each individual member. The strength of each member is the team.”
Phil Jackson.
Junette Davids

The Post-Harvest Innovation (PHI) Programme commenced its new and fourth phase in January 2019 – after having successfully secured R14.9 million from the Sector Innovation Fund of the Department of Science and Innovation (DSI). The Programme has finally reached its initial goal of a 50:50 cost-sharing partnership between Government and industry! This includes costs related to PHI Programme management and support for human capital development – hence, the Programme’s current total budget is R29.8 million. The cost-sharing achievement is a major milestone, considering that PHI initially contributed 100% to its research and development (R&D) portfolio.

In 2019, as the first year of the PHI Programme’s new phase, the focus was mainly on the call for R&D funding proposals, review processes with the subsequent project funding allocations, and contracting with participating industry partners. The result was the approval of 29 proposals to the value of R26 586 611 – co-funded by industry.

The eight industry associations currently contributing to the PHI Programme are HORTGRO Science, Citrus Research International (CRI), the South African Subtropical Growers’ Association (Subtrop), the Tomato Producers’ Organisation, the Pomegranate Producers’ Association (POMASA), Cape Flora SA, the South African Berry Producers’ Association (SABPA) and the newly established kiwi fruit industry in South Africa.

To the benefit of the South African fresh produce industry, there has been an increasing relevance of research conducted at the participating universities, science councils and private research organisations. Universities accounted for the majority of PHI funding allocations for R&D projects (51%), followed by private research organisations (47%) and science councils with only 2%.

**Cross-cutting challenge addressed in a project to benefit all fresh horticultural subsectors:**

Ethyl formate fumigation, as a post-harvest mitigation treatment, can control key external phytosanitary insect pests like the grain chinch bug, without causing phytotoxic damage to certain pome and stone fruit cultivars. Technology to apply ethyl formate as a fumigant on a small scale to a shipping container was designed and tested as part of a previous PHI-industry supported project. This cross-cutting project is the upscaling of the capacity for fumigation to small, controlled atmosphere (CA) rooms and, in future, to large CA stores.
In addition, other phytosanitary pests and fruit cultivars would be evaluated under various conditions (e.g. different temperatures). The ultimate aim of the project is to develop engineering specifications and standard operating procedures (SOP) for the application of ethyl formate in CA rooms, and to develop protocols for the control of specific external phytosanitary pests across industries. The application of this technology also creates implementation opportunities for table grapes, pomegranates, citrus and subtropical fruit.

**Addressing other pressing post-harvest challenges:**

**Blueberries:** Investigating cold treatment as an option to ensure the effective disinfection of blueberries, infested with fruit fly, whilst maintaining fruit quality. This data is essential to access lucrative new markets like China.

**Litchis:** There is a growing demand for litchis, but it is challenging to market this fruit kind due to the highly perishable nature of litchis and the lack of appropriate post-harvest technology. Generally, harvested litchis can only survive two days under ambient conditions. The use of sulfur dioxide (SO₂) treatments to preserve and prolong the quality of the fruit is currently drawing attention due to the perceived health risks.

The anti-browning management of litchis requires a shift to alternative pre-treatment applications. A solution was identified, namely the development of new storage protocols – based on the use of CA, dynamic controlled atmosphere (DCA) and regular atmosphere at optimal temperatures. This would maintain fruit quality, extend the product shelf life and thus prevent substantial losses.

**Kiwi fruit:** Golden kiwi fruit has great economic potential – selling at 30% to 40% more than the green kiwi fruit variety. However, the golden kiwi fruit industry is still very young in South Africa – the oldest orchards were planted around five years ago and are just coming into commercial production. At present, an estimated 75 hectares are planted whilst ambitious plantings are planned for the near future.

The first golden kiwi fruit was exported from South Africa in 2017 – in very small volumes as trial exports. In 2018, the export volumes increased as more orchards matured and came into production, but producers suffered great losses due to the lack of information about golden kiwi fruit production in South Africa. In the same year, protocols from other countries were adapted in an attempt to match the local growing conditions.

These protocols were unsuccessful and not able to improve the quality and shelf life of the fruit. Thus, the need was identified to develop a set of maturity indexing protocols, together with storage and handling regimes that are specific to South African conditions.
'New innovative research projects underway in PHI-4’ – an article highlighting further demanding post-harvest challenges, was published in the August/September 2019 edition of *SA Fruit Journal*. Similarly, ‘Navorsing verseker na-oes gehalte van vars uitvoerprodukte’ was submitted for publication in the *Fruit & Vegetable* magazine.

PHI continues to recognise the importance of building human capital within the industry. Collectively, the amount of R4 639 776 is embedded in the total cost of R&D projects. This represents 17% of the total R&D costs – earmarked for 30 postgraduate grant holder-linked bursaries and nine internships. In addition, an estimated 77% of the students and interns who are linked to the endorsed R&D projects are historically disadvantaged individuals.

The primary focus of the PHI Programme is to develop the innovation capability and global competitiveness of the industry. This requires the distribution of technology products and processes – delivered through industry-relevant projects and supported by knowledge workers. Even though it is still too early to report on these outcomes, we are excited about a particular project that examines the production and use of compounds – produced by naturally occurring, benign bacteria (known as *Bacillus*) – to control fungal infections in post-harvest fruit. PHI has supported this project since 2014 and it now seems that the research results justify protectable intellectual property.

Industry associations proportionally matched an amount of R675 000 for the development of a web-based repository (central location in which data is stored and managed) for generic and principle-based post-harvest information. This project, commencing in 2020, is specifically focused on small-scale farmers, but it will also have far-reaching application for extension officers and those working with fresh horticultural produce. The project will make fundamental information, such as an explanation of respiration rate and the role of ethylene, accessible to all small-scale farmers. The availability of the information can also assist farmers to improve the management of their crops.

The current year also saw the successful conclusion of the third phase of the Programme (PHI-3) when the final report was submitted to the DSI. PHI-3 spanned from July 2014 to February 2019 and contributed considerably to the development of critical mass and research capacity within the fields of post-harvest science and technology in South Africa.
2nd All Africa Post-Harvest Congress and Exhibition

PHI Programme Manager, Junette Davids, was honoured to be invited by the African Union as a speaker at the 2nd All Africa Post-Harvest Congress and Exhibition. The event was hosted at the African Union Commission in Addis Ababa, Ethiopia, from 17 to 20 September 2019. Her presentation focused on private sector initiatives and public-private partnerships (PPP) in post-harvest management. It depicted the South African Post-Harvest Innovation Programme as a successful model of a PPP – one that could potentially be implemented in other parts of Africa.

Other speakers included Ministers of Agriculture from African Union member countries, the Ambassador and Permanent Representative of the Netherlands to the Food and Agriculture Organisation (FAO) of the United Nations, as well as representatives of the World Bank and the Rockefeller Foundation.

Approximately 600 people attended the congress, including politicians and policy makers. Each day offered two plenary sessions to set the theme for related presentations that were divided into workstreams and presented simultaneously. The overarching theme of the congress was to emphasise the urgent need to address post-harvest losses in Africa – especially the devastating impact on food security. The plenary sessions and workstreams addressed the following pressing topics:

- public sector initiatives in post-harvest loss reduction and agro-processing: policy, strategies and regulations;
- financing models/options for agro-processing and post-harvest management;
- science, technology and innovation in post-harvest management and agro-processing;
- capacity development and outreach programmes in post-harvest management and agro-processing;
- youth and women empowerment through post-harvest management and agro-processing; and
- private sector initiatives and public-private partnerships in post-harvest management and agro-processing. Ms Davids’ presentation, titled ‘Public-private partnership in post-harvest management’ was delivered under this workstream.
In 2019, we continued to build on the progress made over the past few years towards our vision of increased inclusion and the sustainable participation of black South Africans in the fresh produce export value chain.

In addition to our existing initiatives, including the graduate internship programme, the Top of the Class training programme, market access support for emerging farmers and exporters; the FPEF launched a new initiative to provide co-funding for high-achieving current and former interns to attend local and international trade fairs.

FPEF Graduate Internship programme
We have seen an encouraging growth in interest from exporters seeking to employ interns, either through the FPEF Graduate Internship programme or independently.

Four interns have been appointed in 2019 and thus far, thirteen exporters have expressed an interest in appointing interns in 2020. In August 2019, we appointed Agrijob to manage the recruitment process for 2020. Agrijob is a new career portal that assists with finding jobs, internships, bursaries and short-term junior internships. Agrijob is also closely linked to several top universities.

In February, we co-funded one of our former interns, Sesethu Dodo, who is currently in full-time employment with her host company, to attend Fruit Logistica Berlin 2019. In September, Karabelo Motsei, another former intern — now permanently employed by her host company, was co-funded to attend Asia Fruit Logistica 2019. These sponsorships not only provide valuable exposure, but also create a platform for top-performing former interns to serve as ambassadors for the fresh produce export industry.

In July 2019, the FPEF sponsored one current and two former interns (presently in full-time employment at exporter companies) to attend the PMA Fresh Connections conference and trade fair in Cape Town. This provided wonderful opportunities — to benefit from relevant discussions about industry issues and for networking.

Shannon Lesch, Sphamandla Nkosi and Lebo Mokopane at the PMA Fresh Connections conference and trade fair.
Top of the Class (TOC) Fruit Value Chain training programme
In March 2019, the third edition of the FPEF Basic ‘Harvest to Home’ Trade Chain Manual (the curriculum used for the TOC programme) was published. The manual was extensively revised, particularly regarding logistics – a field in which procedures and practices have changed significantly since the previous version of the manual. We would like to extend our gratitude to Andy Connell, Contour Logistics and GoGlobal Logistics for their generous assistance with the update. We would also like to thank the editor, Karen du Plessis.

Fifty industry employees in three provinces (KwaZulu-Natal, Limpopo and the Western Cape) have already completed the TOC programme this year, whilst a group in De Doorns has commenced TOC training in October 2019.

Andries van Wyngaardt, CEO of African Realty Trust (ART), provided the following feedback after their team undertook the TOC programme during February and March 2019 on Letaba Estates:

“Attendees were a mixed group from various levels within the company and the exposure across the entire team, from top management to grassroots level, assisted in breaking the stereotypical approach of training certain levels in isolation to others, as well as opened communication and trust barriers that are naturally in place in a hierarchy.

The training itself exposed ART to a broader spectrum of the fruit industry and this proved of exceptional value. Alongside this industry approach, the experiential knowledge of the facilitator and the depth of information in the training material was a ‘killer combination’ that clearly illustrated the links of the supply chain and how they contribute to the greater good of the company and industry.”

Market access support for emerging farmers and exporters
In February 2019, the FPEF facilitated a half-day training session on market access for a group of emerging farmers – sponsored by the Western Cape Department of Agriculture to attend Fruit Logistica Berlin 2019. Kobus Louw of SAPEX, a FPEF member company, kindly offered to arrange the pre-Logistica industry visits to importers, cold stores and the ports of Barendrecht, Amsterdam and Rotterdam in the Netherlands. He also accompanied the group on the visits. We would like to extend our gratitude to Kobus for his selfless input, which provided the growers with a truly valuable experience.

Emerging farmers with their host at Hillfresh in Barendrecht.

In April 2019, the FPEF Transformation Coordinator delivered a presentation on the export value chain and how to manage relationships with exporters at the Annual General Meeting (AGM) of the Deciduous Fruit Development Chamber (DFDC). Similar presentations were delivered to emerging citrus farmers in Eshowe (KwaZulu-Natal) in August and in Addo (Eastern Cape) in September – in collaboration with the CGA.
The FPEF, in collaboration with HORTGRO and SATI, co-sponsored and accompanied two emerging farmers and one emerging exporter to attend the Fruit Attraction fresh produce trade fair – hosted in Madrid, Spain, in October 2019. Meetings were scheduled with importers from Europe and the UK to provide a better understanding of the respective market requirements, opportunities and challenges from a first-hand perspective.

In addition to market access training and ensuring exposure through trade fairs, the FPEF provides a ‘help desk’ to guide new and aspiring emerging exporters. It is focused on risk management and the provision of free FPEF membership (with full benefits) for a minimum period of two years.

**FPEF Annual Transformation Seminar**

In September 2019, the FPEF hosted its third annual Transformation Seminar at ARC Infruitec-Nietvoorbij in Stellenbosch. This event is mainly aimed at senior executives in FPEF member companies, with the goal to inspire and equip our members towards effective and proactive transformation. This year, the FPEF also invited members of HORTGRO, SATI, the CGA and Subtrop.

The speakers at this year’s seminar were Prof. Mohammad Karaan and Prof. Mzukisi Qobo. In his address, Prof Karaan discussed the state of the nation and land redistribution. He stated that we, as South Africans, are very good at fighting against things, but not good at fighting for things. In this context, it was challenging to be reminded that we need to fight proactively for effective, sustainable transformation in our industry – the alternative may find us fighting against punitive transformation measures forced upon us.

Prof. Qobo spoke about the role of business in social change. The following statement provides the essence of his address: "When a critical part of the body suffers debilitating ailment, the other parts cannot function optimally. The political, social and economic systems are intricately linked. Business cannot stand aloof. Political and social instability that could be induced by inequalities and favour are forms of economic exclusions that undermine the basis for sustainable business."

**Government and industry collaboration**

The FPEF plays a vital role in the transformation context, representing and coordinating the transformation interests of fresh produce exporters in South Africa.
In this regard, the FPEF is a member of the Fruit Industry Value Chain Round Table (FIVCRT) Transformation Working Group (TWG). The purpose of this working group is to drive the transformation efforts of the Fruit SA member associations – HORTGRO, the CGA, SATI, Subtrop and the FPEF, in an effective and coordinated manner.

The FIVCRT TWG serves as the hub for coordinated two-way communication between industry and Government, including entities such as the Department of Agriculture, Land Reform and Rural Development (DALRRD), the National Agricultural Marketing Council (NAMC) and the Department of Trade, Industry and Competition (dtic). In 2019, Fruit SA released a transformation strategy for the sector; developed collaboratively within the FIVCRT TWG. This strategy is an important milestone for the industry – ensuring that transformation can be addressed in a coordinated manner and enabling coordinated feedback to Government.

The FPEF also serves on the Horticulture Sector Skills Committee within the Agricultural Sector Education Training Authority (AgriSETA) to represent the interests of the FPEF members within the AgriSETA.

![Fruit Industry Transformation Strategic Framework](image)

Marinda Roux

The Fresh Produce Exporters’ Forum (FPEF) can once again confirm that the finances of the Forum were managed with the highest standard of professionalism, accuracy and transparency over the past financial year. Comprehensive management accounts are regularly presented to the FPEF Board of Directors during the year and any concerns and/or challenges are reported to the Chief Executive Officer.

Apart from managing our members’ contributions, the FPEF also manages donor funds by way of grants and contributions. These contributions are made available for the funding of various projects and initiatives within the South African fresh produce export industry. Such entities include Tesco, the AgriSETA, the Department of Trade, Industry and Competition (dtic), as well as the Department of Science and Innovation (DSI).

The dtic contributes to various international trade fairs, as well as the publication of the Export Directory. The DSI has approved a further R14,946,087.50 towards Phase 4 of the Post-Harvest Innovation Programme, which will continue until September 2021. The fact that these entities continuously channel funds through the FPEF, is a great vote of confidence in the integrity and high standards with which the FPEF manages these funds.

The 2019 annual financial statements have been independently audited by SDK Chartered Accountants (SA) and reflect a clear analysis of the financial position of the Forum as at 30 September 2019.

The audit was conducted in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The audit is based upon appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates, to provide reasonable assurance that the financial statements are free from material misstatements.
FRESH PRODUCE EXPORTERS' FORUM NPC  
(registration number: 1998/018451/08)

FPEF income analysis for the year ended 30 September 2019

<table>
<thead>
<tr>
<th>2019 R</th>
<th></th>
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**INCOME**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FPEF Members</td>
<td>9 394 343</td>
</tr>
<tr>
<td>Membership fees</td>
<td>8 350 414</td>
</tr>
<tr>
<td>Export Directory publication</td>
<td>278 500</td>
</tr>
<tr>
<td>Trade fairs (FPEF members + industry partners)</td>
<td>55 000</td>
</tr>
<tr>
<td>Interest income</td>
<td>430 152</td>
</tr>
<tr>
<td>Recoveries - various costs</td>
<td>157 888</td>
</tr>
<tr>
<td>Sundry income (SA Fruit Journal / PPECB allowance)</td>
<td>122 389</td>
</tr>
<tr>
<td>Grants / Project Funding - dtic</td>
<td>1 302 893</td>
</tr>
<tr>
<td>Export Directory publication</td>
<td>200 000</td>
</tr>
<tr>
<td>Export Council grant</td>
<td>1 000 000</td>
</tr>
<tr>
<td>Reimbursement - Fruit Logistica Berlin</td>
<td>23 932</td>
</tr>
<tr>
<td>Reimbursement - Asia Fruit Logistica</td>
<td>22 616</td>
</tr>
<tr>
<td>Reimbursement - World Food Moscow</td>
<td>26 324</td>
</tr>
<tr>
<td>Reimbursement - Foodex Japan</td>
<td>30 022</td>
</tr>
<tr>
<td>Funding &amp; Grants Raised / Received</td>
<td>2 024 910</td>
</tr>
<tr>
<td>AgriSETA grant</td>
<td>210 000</td>
</tr>
<tr>
<td>DSI - Post-Harvest Innovation Programme HR</td>
<td>1 166 451</td>
</tr>
<tr>
<td>L&amp;M Programme - De Doorns</td>
<td>24 130</td>
</tr>
<tr>
<td>Tesco - Monitoring &amp; Evaluation Community Fund</td>
<td>541 765</td>
</tr>
<tr>
<td>Tesco - Africa Communities Fund</td>
<td>82 564</td>
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<tr>
<td>Other Projects / Managed by FPEF</td>
<td>10 450 911</td>
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<tr>
<td>DSI - Department of Science &amp; Innovation - PHI-3</td>
<td>33 681</td>
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<tr>
<td>DSI - Department of Science &amp; Innovation - PHI-4</td>
<td>10 417 230</td>
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**EXPENDITURE**

<table>
<thead>
<tr>
<th>2019 R</th>
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</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>AgriSETA Graduate Programme</td>
<td>155 923</td>
</tr>
<tr>
<td>Annual Report</td>
<td>68 225</td>
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<tr>
<td>Audit - tax and secretarial</td>
<td>16 072</td>
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<tr>
<td>Audit fee</td>
<td>64 400</td>
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<tr>
<td>Bank charges</td>
<td>25 286</td>
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<tr>
<td>Compensation commissioner / CIPC levies</td>
<td>24 201</td>
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<tr>
<td>Consult: Legal &amp; Mediation / HR / Lobby</td>
<td>97 453</td>
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<td>Courier and postage</td>
<td>78 426</td>
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<tr>
<td>Depreciation</td>
<td>15 549</td>
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<tr>
<td>DSI - Post-Harvest Innovation Programme (Phase 3)</td>
<td>1 814 765</td>
</tr>
<tr>
<td>DSI - Post-Harvest Innovation Programme (Phase 4)</td>
<td>4 397 534</td>
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<tr>
<td>DSI Management fees FPEF (recovered)</td>
<td>1 170 362</td>
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<tr>
<td>Employees and contract employees</td>
<td>3 940 800</td>
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<tr>
<td>Entertainment</td>
<td>10 755</td>
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<tr>
<td>Export Directory</td>
<td>311 445</td>
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<tr>
<td>FPEF - Media platforms: web maintenance</td>
<td>4 988</td>
</tr>
<tr>
<td>FPEF - Meetings / Board / AGM and other</td>
<td>124 664</td>
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<tr>
<td>FPEF contribution - Post-Harvest Innovation Programme</td>
<td>240 000</td>
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<tr>
<td>Fruit SA - Export Council grant</td>
<td>1 000 000</td>
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<tr>
<td>Fruit SA - Exporter contribution</td>
<td>561 505</td>
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<tr>
<td>Info Hub</td>
<td>295 920</td>
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<tr>
<td>Insurance</td>
<td>24 899</td>
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<tr>
<td>Interest paid - Tesco funding</td>
<td>52 564</td>
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<tr>
<td>Internet, IT and computer maintenance</td>
<td>65 184</td>
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<tr>
<td>L&amp;M Programme - FPEF</td>
<td>32 084</td>
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<tr>
<td>Market access</td>
<td>523 942</td>
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<tr>
<td>Market development: international promotions</td>
<td>153 124</td>
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<tr>
<td>Marketing materials - FPEF</td>
<td>36 557</td>
</tr>
<tr>
<td>Market statistics and information</td>
<td>85 000</td>
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<tr>
<td>Marketing forums and technical meetings</td>
<td>177 117</td>
</tr>
</tbody>
</table>
**EXPENDITURE (Continued)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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<tbody>
<tr>
<td>New member credit checks</td>
<td>R 3 486</td>
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<tr>
<td>PPECB - Board allowance</td>
<td>R 62 960</td>
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<tr>
<td>Printing and stationery</td>
<td>R 27 332</td>
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<tr>
<td>Regus - Office administration / telephone / fax etc.</td>
<td>R 10 544</td>
</tr>
<tr>
<td>Rental / parking / storage / signage</td>
<td>R 269 263</td>
</tr>
<tr>
<td>Small assets written off</td>
<td>R 2 827</td>
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<tr>
<td>Staff training</td>
<td>R 9 450</td>
</tr>
<tr>
<td>Subscriptions / membership fees / conferences</td>
<td>R 137 812</td>
</tr>
<tr>
<td>Sundries</td>
<td>R 11 047</td>
</tr>
<tr>
<td>Telephone (cellular)</td>
<td>R 19 856</td>
</tr>
<tr>
<td>Tesco Africa Communities Fund</td>
<td>R 104 506</td>
</tr>
<tr>
<td>Tesco Emerging Leaders SA</td>
<td>R 160 000</td>
</tr>
<tr>
<td>Tesco Global G.A.P. project</td>
<td>R 5 000</td>
</tr>
<tr>
<td>Tesco Monitoring &amp; Evaluation Community Fund</td>
<td>R 142 740</td>
</tr>
<tr>
<td>Tesco Siza Visa project</td>
<td>R 265 988</td>
</tr>
<tr>
<td>Trade fairs / trade initiatives:</td>
<td></td>
</tr>
<tr>
<td>- Fruit Logistica Berlin</td>
<td>R 261 552</td>
</tr>
<tr>
<td>- Asia Fruit Logistica</td>
<td>R 183 545</td>
</tr>
<tr>
<td>- World Food Moscow</td>
<td>R 26 420</td>
</tr>
<tr>
<td>- FVF China</td>
<td>R 75 350</td>
</tr>
<tr>
<td>- Foodex Japan</td>
<td>R 11 263</td>
</tr>
<tr>
<td>- Fresh Produce India</td>
<td>R 164 960</td>
</tr>
<tr>
<td>- Fruit Attraction Spain</td>
<td>R 544 932</td>
</tr>
<tr>
<td>Transformation initiatives</td>
<td></td>
</tr>
<tr>
<td>Travel and accommodation: local</td>
<td></td>
</tr>
<tr>
<td>Travel and accommodation: overseas</td>
<td></td>
</tr>
<tr>
<td>NET SURPLUS FOR THE YEAR</td>
<td>R 4 190 145</td>
</tr>
<tr>
<td>Less: Funds transferred to/from Project Reserves</td>
<td>R 4 881 341</td>
</tr>
<tr>
<td>FPEF Shortfall for the year (recovered from FPEF reserves)</td>
<td>R -691 196</td>
</tr>
</tbody>
</table>

**FPEF BOARD OF DIRECTORS**

Standing, from left: Wayne Mudge, Sarel Joubert, Nico van Staden, Ryno Bougas, Charl (Tippie) du Toit, Anton Kruger, Ryno Palm, Dr Mono Mashaba, Lucien Jansen and James Perch.


Absent: Patrick Bird, Trevor Dukes and Jan Pienaar.

**FPEF STAFF MEMBERS**

From left: Anton Kruger (CEO), Junette Davids, Marletta Kellerman, Marinda Roux, Claudia Walklett and Werner van Rooyen.

Absent: Johannes Brand.
EXPORTER MEMBERS

ALG Marketing
Alliance Fruit
AMC Fruit South Africa
AS Vlijoen & Seuns Boerdery
Banhoek Fruit Marketing
Bennyworld SA
Bet-El Fruits
Betko Fresh Produce
Bonfrut
Bono Farm Management
Boschkrans Boerdery
Brooke House
Cape Five Export SA
Capespan South Africa
Core Fruit
De Keur Marketing
Delecta Fruit
Denau Boerdery
DKI Fruit Marketing
Dole South Africa
Dutoit Group
ELE Trading
Emex International
EPIC Fruit Exporters
Everseason
EXSA
Favourite Fresh Export
Franschoek Marketing
Freshgold SA Exports
Freshgro Citrus Growers
Freshworld
FruitOne
Fruits Unlimited
Fruitways Marketing
Fruitworks
FVC International
GF Marketing
Global Pacific Produce SA
Goede Hoop Vrugte
Goldee Trading 2
Grape Alliance Marketing
Green Marketing International
Groep 91 Uitvoer
Grown4U
GS Schoonbee Landgoed
HNP Marketing
Hoekstra Fruit Exporters
Ideafruit Export
Impala Citrus
Internode Marketing Company & Logistics
In Season Marketing
In2Fruit
Jo-Rie Products
Karpus Exports
Karsten Marketing
Kat River Citrus Primary (KATCO)
Kingfisher Fruits
Komati Fruit
Kromco
Laeveld Citrus
Le Roux Group
Letaba Estates
Lona Citrus
Lucerne Fresh
Mahela Boerdery
Makutangi Farming Operations t/a Easy Farms
Market Demand Fruits
Modderdrift
Mouton Citrus
Niche Fruit
Orex Export
Paternie Citrus
Pips Fruit
Pitto
Pomona Fruit
RSA Group
Safe Farm Ventures
SAPPRO
Samapro Trading
San Miguel Fruit South Africa
SAPEX Exports
Seaboard International
Seven Seas
Southern Cross Marketing and Management Services
Southern Fruit Growers
Southern Fruit Trading
SRCC Marketing
Stargrow Fruit Marketing
Star South Fruits
Stems Fruit
Suiderland Plase
Swellenfruit Packing
The Fruit Farm Group South Africa
The Grape Company
Triple D Farms
Tru-Cape Fruit Marketing
Uitvlugt Farming Trust
Unichoice Produce Direct
Unifruiti
Unipack Fruit
United Exports
Valleyfresh South Africa
Van Doorn Citrus
Vanguard International
Venganix
Vintage Group
Wolseley Fruit Packers
WP Fresh Distributors
X-Treme International
Zest Fruit
ASSOCIATE MEMBERS

Cargo Services Durban
Citricom IP
Citrogold
ClemenGold International
Contour Logistics
Creation Fruit
Energy Partners HVAC & R
Ethekwini Cold Stores
FPT Group
GoGlobal Logistics
Hellmann Worldwide Logistics
HG Molenaar & Company
Hortec
Integrated Fruit Marketing
LCL Logistics Southern Africa
Lonrho Logistics
Maersk South Africa
Morgan Cargo

Mpact Limited
Neopak
Ocean Network Express (ONE) South Africa
Polyflex Natal
Perishable Products Export Control Board (PPECB)
Producer Ally
Prophet Systems SA
SAFT
Sappi Southern Africa
Tesco
Unitec South Africa
ZZ2