

HORTGRO

Annual Review

2022



Inspiring Inclusive Growth

Hortgro

MISSION

To create an enabling environment for all industry stakeholders to enhance equity, sustainability, profitability and competitiveness of the pome, stone and related horticultural industries through the following programmes:

Good governance, administration and financial management

Scientific research and development and technology transfer

Technical market access, protocols and product standards

Plant material acquisition, incl. breeding, cultivar development and procurement

Independent evaluation (cultivars and rootstocks)

Plant improvement and certification

Trade and market development, incl. market intelligence

Economic development and land reform

Skills and human resource development, incl. socio-economic development

Industry information and statistics

Communication and industry representation.

More detailed reporting on activities relating to these programmes are contained in the various elements of this review.



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Aangesien dit weens koste- en spasiebeperkings nie moontlik is om die verslag in albei hoofbedryfstale (Afrikaans en Engels) te publiseer nie, het ons probeer om die verslag sover as moontlik tussen die twee hoofbedryfstale te balanseer. Indien daar 'n spesifieke gedeelte is wat lesers graag in die ander taal, of in meer detail wil sien, skakel gerus. Ons vertrou dat u begrip sal hê vir die feit dat ons nie alles in hierdie publikasie kan dupliseer nie.

Due to cost constraints, it is not possible to provide all content in both the main languages used in the industry. We therefore tried to balance the content. Should anybody require a translation of a specific section in this report, or require more detail on any aspect, please feel free to revert to Hortgro. We trust that you will understand that it is not possible to duplicate the full content.



Angelo Petersen
Independent Director

Nicholas Dicey
Chairperson and
Hortgro Pome Director

Unati Speirs
Independent Director

Anton Rabe
Executive Director

Andre Smit
Hortgro Stone Director

Our Leaders

Board of Directors



General review

Anton Rabe | EXECUTIVE DIRECTOR

Challenges galore — possibly the best summary of the past year! On-going global trade and logistical/shipping challenges on the back of Covid-19 and the Ukrainian war and related geo-political incidents in other theatres pushing up the price of oil and gas, increased inflation (the worst in decades with talk of a global recession looming) and high interest rates, are impacting heavily on economic growth, jobs, and the ability of consumers to pay for goods and services. As an export focused industry this is seriously hurting us.

Locally, unprecedented load shedding, continued lack of service delivery on local level, resultant social unrest, and more direct impact on on-farm profitability with 50 - 200% increases in input costs (fuel, chemicals, fertilizer, packing material, wage increases, etc.) are playing havoc with our agri and rural economy. Linked to an influx of jobless people – with the remote hope of getting a job – to towns in most of our production regions with the resultant pressure on utilities and services, safety and education, the situation seems somewhat hopeless.

Gelukkig is ons 'n veerkragtige en taai (resilient) lotjie en is ons besig om planne te maak om die uitdagings te oorkom. Planne om daardie kwessies wat binne ons beheer is, so effektief as moontlik te kan aanspreek en om die omgewing waarbinne ons opereer so

ver as moontlik te verbeter. Die boodskap is duidelik: Ons staan minstens 'n gedeeltelike failed state-scenario in die gesig waar ons dinge self sal moet doen en nie vir andere wag om dinge vir ons te doen nie.

Dit beteken dat ons opnuut moet fokus gegewe dat Hortgro nie alles vir almal kan wees nie. In die opsig is die finalisering van die Agri Meesterplan (sg. AAMP) 'n baie positiewe verwikkeling en dui dit duidelik aan watter aspekte die verskillende social partners (regering, arbeid en besigheid) gesamentlik en/of op hulle eie kan doen. Ons moet bloot daardie kwessies wat ons self kan doen, doen!!

Die boodskap is duidelik: Ons staan minstens 'n gedeeltelike failed state-scenario in die gesig waar ons dinge self sal moet doen en nie vir andere wag om dinge vir ons te doen nie.

Ongelukkig is daar alreeds weer opportuniste, veral binne arbeids- en opkomende landbou-geledere, wat stroomop wil beur met 'n gekarring oor kwessies waarvan die antwoord van bedrywe en besigheid nie gaan verander nie. Gelukkig is daar egter ook genoeg rolspelers, insluitende die politici en amptenary van sleuteldepartemente wat oor genoeg kwessies saamstem om hiermee 'n verskil te begin maak.



A mind-set and motto of: Deal with those things that we agree on and make a difference, rather than focus on those things we disagree on and do nothing!

Despite record crops of all our main crop types, producer returns were dismal. The Pome and Stone Producer Councils and Boards therefore agreed not to increase levy levels for the new budget cycle and to spend the over-recovery on levies on various trade, market development and logistics initiatives to address some of the most pressing constraints. This will include a focus on repositioning the South African supply as attractive and sought after in international trade, including the domestic, Southern African, and African markets with co-branded trade and consumer awareness and education programmes.

On the back of an in-depth cost of compliance study initiated within FruitSA, the industry bodies will also start to push back on irrelevant and endless compliance requirements and trade demands. It seems as if the retail sector is blissfully unaware

of the costs of some of their (my words) ridiculous demands in an endless effort (my words again) to differentiate themselves at the expense of the primary producer. This includes regulatory requirements relating to environmental, social, and corporate requirements which mostly adds costs and little value to our sector. This, with a relentless retail drive towards the lowest possible price, whilst the add-on costs of complying with their demands are easily ignored. The impact on on-farm profitability, jobs and rural stability is horrific and needs to be addressed.

Gelukkig is ons 'n veerkragtige (Eng: resilient) lotjie en is ons besig om planne te maak om die uitdagings te oorkom.

Ons het ook die projek m.b.t. Hortgro se Visie van die Toekoms deurgevoer. Waardevolle insette is verkry wat in die kern/steenbedrywe se volgende vier tot vyf jaar strategiese plan ingebou is. Hierdie raamwerk sal in die komende maande aan produsente voorgehou word met die oog op die posisionering en kapasitering van bedryfsfunksies en -dienste om relevant te bly. 'n Nuwe vier jaar heffingsiklus sal ook gemotiveer word wat in Oktober 2023 moet inskop.

Die boodskap is egter duidelik: Fokus op die aspekte wat die grootste verskil maak en moenie alles vir almal probeer wees nie!

In terms of the transformation agenda, we also have reached a crossroads relating to the relationship with, and role of the DFDC. The MOU between Hortgro Pome, Stone and the DFDC was repealed due to a continuous operational disconnect, duplication and on-going challenges with identity and related

confusion of stakeholders. The various boards have instructed management to address operational economic development capacity and to implement advisory structures, as is the case with the other functional areas within Hortgro.

Hortgro and the broader industries' commitment to transformation, aligned with the guidelines of the NAMC relating to the use of and reporting on statutory levies, with purpose and focus on the needs of our emerging stakeholders nationally on a value chain approach, will not diminish. In fact, we believe this space will be served more effectively than in the past.

The various boards have instructed management to address operational economic development capacity and to implement advisory structures, as is the case with the other functional areas within Hortgro.

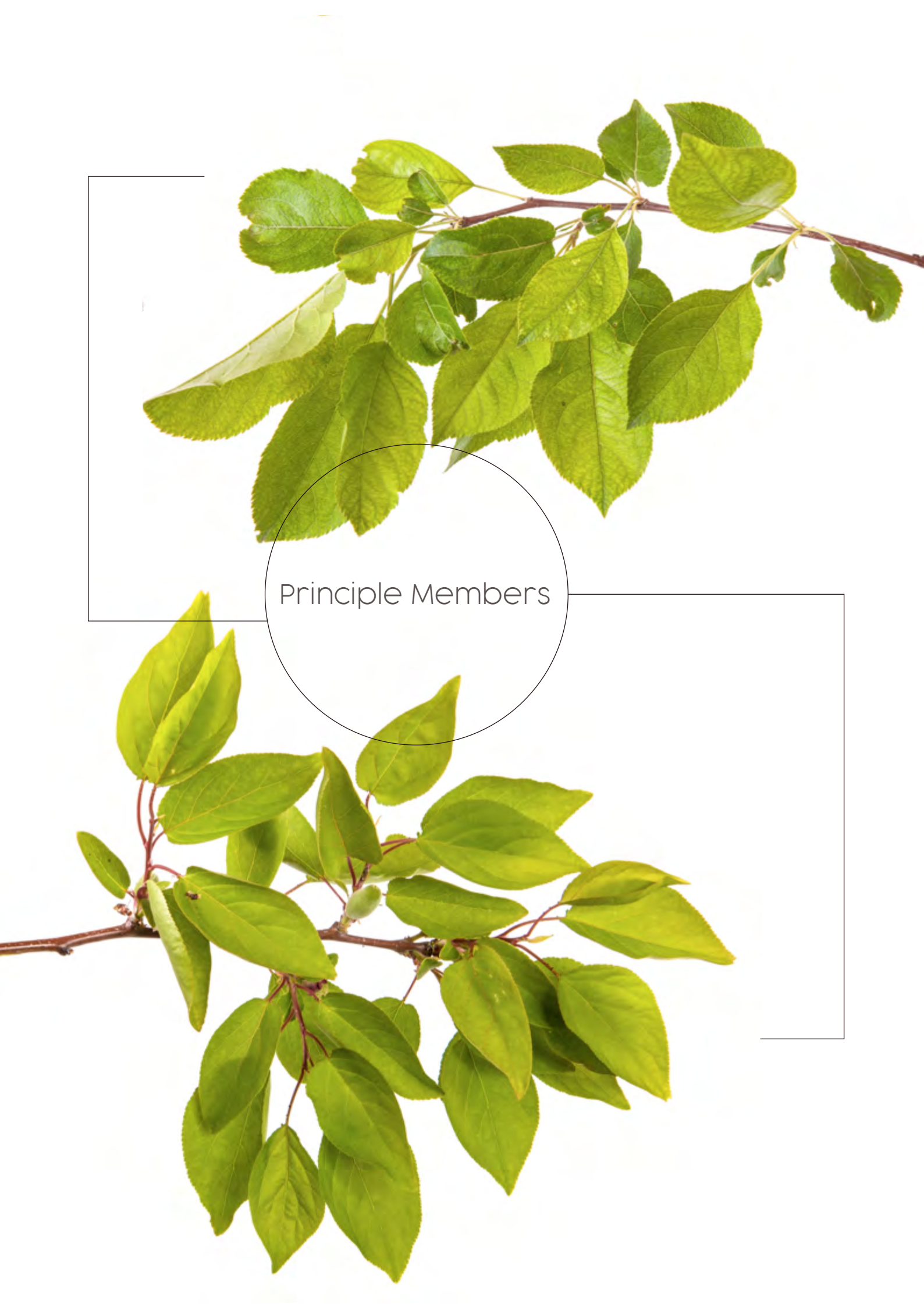
Another very important aspect being addressed (and reported on elsewhere in this report) is the quality of our plant material. A focus industry working group is busy looking at the various aspects of ensuring clean plant material will be guaranteed to our producers. This includes a look into the

Plant Improvement Scheme and activities and services relating to international best practice with regards to quarantine, laboratory services, independent inspection, evaluation, and use of technology such as tissue culture. This will have an impact on the role, functions and structure of entities such as the DPA, PlantSA and SAPO with support functions from the likes of TCF and Provar.

Benewens die gebruiklike administrasie en aanwending van bedryfsheffings soos deurlopend aan die verskillende produsenterade en fokusgroepe aan verslag gedoen word, het Hortgro weereens verskillende toelaes (grants) en gebruikerbetaalde dienste (user pay services) bestuur. Waar hierdie dienste en funksies slegs kern- en steenvrugte raak, word dit binne Hortgro en sy substrukture hanteer, maar waar dit ook ander belangegroepe soos die inmaak en wingerdbedrywe (tafel- en droogdruifwe) insluit, word dit in doelgerigte entiteite soos SAPO, Culdevco, FruitFly Africa, Tissue Culture Facility en die SA Vrugtejoernaal hanteer en uitgevoer. Verslae oor van hierdie entiteite word verder aan in die verslag vervat.

THE DIFFERENT FRUIT TYPE LEVIES ADMINISTERED DURING 2021/22 WHERE:

Fruit per kg	STD levy*	Export MDL	Local MDL	Local levy	Export levy
Apples (fresh)	R0.053	R0.0285		R0.053	R0.0815
Pears	R0.053	R0.0285		R0.053	R0.0815
Apricots	R0.225	R0.118	N/A	R0.225	R0.343
Nectarines/Peaches	R0.140	R0.237	R0.047	R0.187	R0.337
Plums/Prunes	R0.186	R0.113	R0.022	R0.208	R0.299
*Domestic, Exports and Imports					
Juice per ton	STD levy				
Apples	R10.40				



Principle Members

Chairman's report – Hortgro Pome

Nicholas Dicey | HORTGRO POME CHAIRMAN

Although the 2022 season resulted in record crops for both apple and pear producers it will be remembered as a year of dismal returns in the marketplace with oversupplied markets, questionable quality and an unsustainable surge in input, logistics and marketing costs eroding the returns to producers. Post-Covid economic hangovers and geopolitical turmoil with Russia's invasion of the Ukraine sent many of South Africa's traditional markets in a downward spiral and coupled with above inflation cost increases and often the limited availability of many of our key inputs resulted in below par returns for the deciduous industry.

From the beginning of the season, inefficiencies and breakdowns in the ports had a major negative impact on the ability to timeously export fruit and to reliably deliver quality products to our clients internationally.

Market access and retention, the associated research to address this agenda and traditional research programmes as identified and prioritized by the industry once again dominated much of Hortgro Pome's time and energy during the 2022 season. With the record crops experienced, the pressure on logistics was felt throughout the production chain with pressure on cooling, packhouse, processing and related equipment availability. The exorbitant rise in shipping and container

cost coupled with the shortage of containers and vessels put tremendous pressure on the industry logistically. From the beginning of the season, inefficiencies and breakdowns in the ports had a major negative impact on the ability to timeously export fruit and to reliably deliver quality products to our clients internationally.

Hortgro was instrumental in initiating various interactions and interventions between the different fruit industries, Transnet, and management of the ports to proactively address and correct constraints and bottlenecks during the year. The importance of maintaining the cold chain, infrastructure and personnel management, the need to ship fresh produce timeously as per programmes and planning of shipments in the future were some of the matters that were addressed. I believe that we will see positive responses on this front in the future due to the positive interactions with the different role-players.

Hortgro Pome continued to work tirelessly and in consultation with its producer constituency to ensure that an enabling environment is created and maintained for our apple and pear producers to do business in. The Hortgro Pome Board met quarterly to discuss strategic matters specifically relating to trade and market access, research and development, stakeholder relationships,



transformation, logistics, administration, and finance. These outcomes gave context to discussions held at quarterly Pome Producer Council meetings where representatives of all our apple and pear producers from all growing areas in South Africa monitor industry activities, approve and sign-off on the Hortgro Pome budget and finances, addressed administrative matters, gave feedback, and posed questions from their specific areas and discussed matters of common interest to be reported back to their constituents.

The time and effort spent on industry matters by the Board and Producer Council members is greatly appreciated and valued. This involvement is not taken for granted and must not be underestimated given their strategic input and guidance adding immense value in ensuring a stable and growing pome industry. I thank them for their contributions during this past year.

Hortgro senior bestuur en personeel is deeglik bewus van hierdie uitdagings en wat hulle rol is om bedryfsbehoefte aan te spreek.

Strategiese gesprekke tussen die direksies van Hortgro Pome, Hortgro Stone en die Hortgro-seniorbestuurspan is gehou om die toekomstige rol en die programme van

Hortgro te ontleed. Die uitkoms van hierdie gesprekke het konteks gegee vir die opstel van die 2023-begroting en ook vir die indiening van die 'n aansoek vir 'n nuwe heffingsiklus wat, indien dit goedgekeur word, vir die periode 2023/4 tot 2026/7 sal geld. Die Hortgro Pome-raad het ook besluit om die heffing op appels en pere vir 2023 dieselfde te hou as dié van 2022. Hierdie vergunning is moontlik gemaak deur die rekord appel- en peerproduksie wat die afgelope jaar behaal is, asook sekere begrotingsbesparings. Ek vertrou dat dit welkome verligting vir ons produsente sal bring in 'n jaar waar daar groot uitdagings vir ons as bedryf wag.

Die ekonomiese uitdagings, vanaf hoë insetkoste tot markte wat onder druk is wat ons bedryf in die volgende paar jaar in die gesig staar, sal Hortgro Pome meer as ooit noodsaak om seker te maak dat die regte kwessies op die mees doeltreffende manier aangespreek word. Die Hortgro Pome-raad, Hortgro senior bestuur en personeel is deeglik bewus van hierdie uitdagings en wat hulle rol is om bedryfsbehoefte aan te spreek.

Anton Rabe en sy span moet geprys word vir die rol wat hulle gespeel het om ons bedryf eerste te stel en om te verseker dat produsente op plaasvlak op hulle boerderye kan bly fokus. In 'n veranderende omgewing gaan Hortgro toenemend kwessies moet aanspreek wat voorheen nie deel was van hul speelveld nie ten einde die vooruitgang en oorlewing van die appel- en peerbedryf te verseker.



Voorsitterverslag – Hortgro Stone

André Smit | VOORSITTER

Seker die moeilikste steenvrugseisoen ooit. Ondanks 'n goeie produksiejaar was 2021/22 se finansiële resultate op plaasvlak 'n absolute ramp. Hortgro Stone het derhalwe etlike inisiatiewe geloods met die hoofdoel om die gesogtheid en waardeproposisie van die Suid-Afrikaanse steenvrugaanbod, veral die van pruime, in die handel te herstel. Dit is werklik krities dat ons die tradisionele beeld van gehalte (grootte en smaak) en waarde vir geld van die SA-produk teenoor ander lande s'n, weer hard en duidelik in die markplek vestig.

Make sure you are informed of the various trade initiatives and ensure discipline as informed decisions start with producers.

From a logistical point of view, supply to markets is expected to be much more stable, reliable and on-time given that logistical bottlenecks have been addressed. It appears as if we are in a much better position logistically than at the same time last year. This will directly lead to SA stone fruit arriving in great condition.

Also, over the winter period the industry has focused on quality and size issues to counter the price/cost squeeze given the increases in production, packing and logistical costs. The area planted to nectarines have grown, while peach and apricots are on the decline.

After the extremely poor financial returns of especially plums, it is expected that the area planted to plums will at best stabilize but will possibly decline slightly going forward. Several new nectarine and plum orchards that were planted over the last five years will however continue to support volume growth and enhance fruit quality and size.

Die globale ekonomie is onder geweldig druk gegewe die groot stygings in inflasie en rentekoerse, brandstof en energiekostes. Verbruikers sal dus meer as ooit kieskeurig wees en mooi dink waarop hulle hul beperkte fondse gaan spandeer. As bedryf sal ons bloot nie kan dobbel met enigiets wat nie 'n adres in die mark het nie. As jy twyfel, moet eerder nie 'n besending stuur nie, en moenie vrugte aan bemarkers stuur wat nie realistiese aanduidings van produsentebetalings kan gee nie.

Na die pruim- en nektarien-indaba wat vroeg in Augustus gehou is, is bepaalde aksieplanne op produksie, mark en algemene vlak ontwikkel en aan die bedryf gekommunikeer. Dit het aanbevelings ingesluit soos dat baie goeie uitdunning gedoen moet word, asook detail-inligting oor produksie- en pakkoste asook gelykbreekpunte wat 'n billike uitbetaling aan produsente sal verseker.

In further support of operational oversight over logistics, various strategic interventions in the trade in key marketing



weeks have been scheduled which will further augment the industry activities to support the next season. Make sure you are informed of the various trade initiatives and ensure discipline as informed decisions start with producers. Ask the required critical questions from our service providers.

This includes a relook at our marketing and export business model and a critical look at the costs chain to ensure that commissions and recoupment of costs are done at those points in the chain which reduces producer risk and augments grower returns. Those that are seemingly operating at the detriment and expense of producers will no doubt be exposed by more transparency in our information sharing and robust discussions required at our Joint Market Forums (JMF's).

Die bestuur van fito-pestes, spesifiek vrugtevlug en valskoddingmot, is krities sodat die Suid-Afrikaanse produk onder die spreekwoordelike radar bly. Proteksionisme is terug en veral ons tradisionele markte is op rekord dat hulle net na hulself gaan omsien. Ons mag nie vir hulle verskonings gee om ons uit te skop nie. Protokolle moet streng nagekom word en geen kans mag gevat word nie. Weereens sal partye wat die breër bedryf op risiko plaas, in terme van die protokolle uit sensitiewe markte gehaal word.

Ten slotte, daar is absoluut geen rede vir enigiemand om nie ingelig te wees nie. Dit is nou elke produsent se verantwoordelikheid om sy/haar strategie met sy/haar uitvoerder/diensverskaffer te bespreek en ooreen te kom.

My beste wense aan produsente en diensverskaffers vir die 2022/23-seisoen. Hierdie is derhalwe 'n maak-of-breek-seisoen vir die steenvrugbedryf, maar as elkeen hul deel doen, sal die bedryf oorleef en sal ons weer na 'n winsgewende situasie op produk-sievlak terugkeer.



Hortgro Services



Management and Administration

Louis van Zyl | HORTGRO GENERAL MANAGER

Hortgro administers various statutory measures as approved via the National Agricultural Marketing Council (NAMC) in terms of the Agricultural Products Marketing Act and continues to manage statutory measures, including the collection of levies on behalf of a range of industry associations. These levies are ring fenced within dedicated accounts for every entity and accounted to and aligned with the requirements and guidelines of both the NAMC and the Auditor-General.

Since its inception in 2005, Hortgro has been providing a range of supporting functions, including financial, administrative and HR services to a growing number of horticultural industry and related structures, including user pay services provided by various industry substructures.

The number of entities that Hortgro services has grown to 37 legal entities and focus groups of which Hortgro Pome, Hortgro Stone (including Cherries and Dried Tree Fruit), FruitFly Africa, Deciduous Fruit Producers' Trust (DFPT – ring fencing various government grants), Fruit Workers' Development Trust (FWDT), SA Fruit Journal, the Deciduous Fruit Industry Development Trust (DFIDT), Culdevco, Hortfin and Tissue Culture Facility count as its main clients. Hortgro has also been contracted to provide services to a range of alternative crops such as Cape Flora, figs, olives, pecan nuts and pomegranates, cultivar focus groups such as SA Pink Lady, Greenstar-Kanzi and Forelle, as well as the SA Fruit and Vegetable Canners' Association and the Sustainable Initiative of SA (SIZA).

HORTGRO IS ALSO CONTRACTED TO IMPLEMENT VARIOUS PROGRAMMES IN CONJUNCTION WITH OTHER ROLE PLAYERS:

The Treasury's Jobs Fund project in conjunction with contributions from the industry (including Vinpro and SATI) and the Land Bank and FNB, better known as Hortfin being a R600 million blended loan funding project.

The US Department of Agriculture's Plant Health Inspection Services (USDA APHIS) for the pre-clearance programmes for citrus and deciduous fruit.

The Commodity Project Allocation Committee and Alternative Crops Fund of the Western Cape Department of Agriculture in support of emerging horticultural industries.

Administratiewe ondersteuningsdienste en -funksies word ook aan die verskillende departemente binne Hortgro voorsien.

Communication

Elise-Marie Steenkamp | GROUP COMMUNICATION MANAGER

THE YEAR OF THE BIG RE-CONNECT

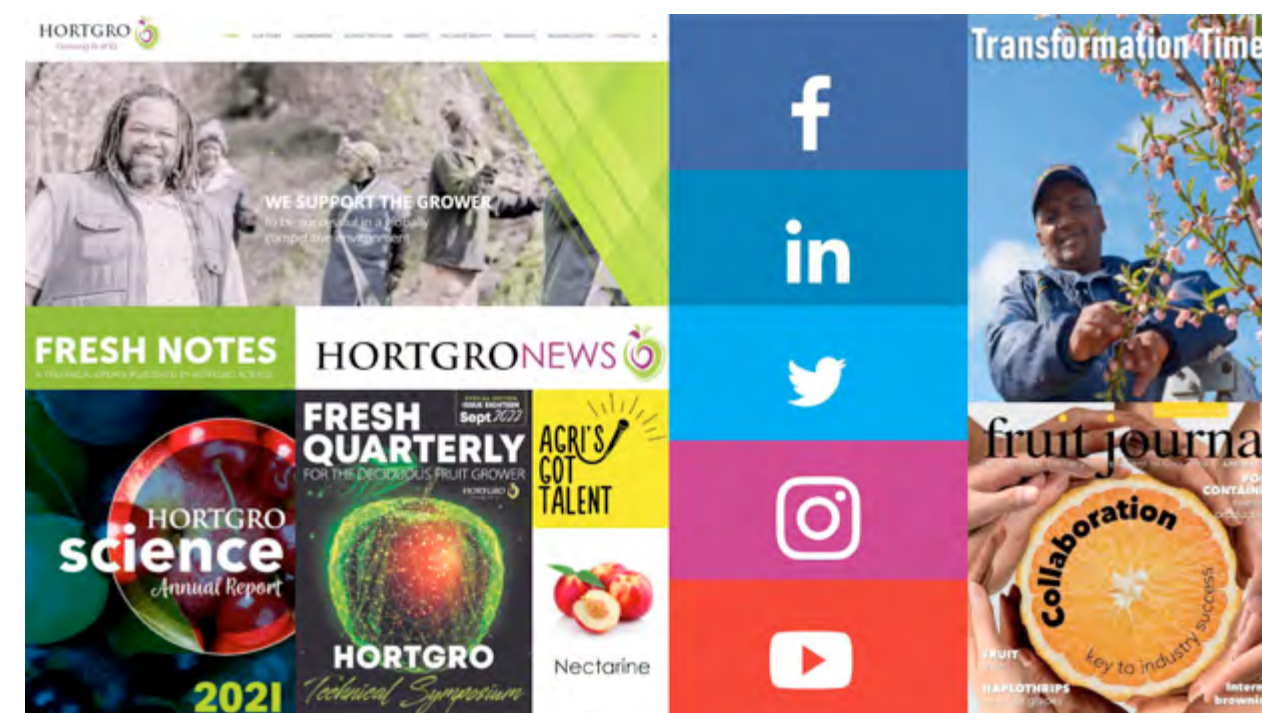
2022 will be remembered as the year of the Big Re-Connect. Early in the year, still very much in the grips of the National State of Disaster Act, we hesitantly started planning some of our events according to three possible scenarios: Hundred percent digital; digital with limited in-person attendance; or a 100% in-person event.

From January onwards Covid-19 protocols were relaxed and then, finally, the Disaster Act was lifted. Initially, it was a bit like drip irrigation with more and more people attending meetings; followed by folks dropping in at the office – seeing each other in

person for the first time in 18+ months. Soon it was clear, our stakeholders were hungry for in-person events, networking, and *kuier*.

Hosting any event is a bit like riding a wild horse. You have a goal and a game plan, but in the “now”, you must adjust, adapt, and try to stay on top. Covid-19 did not make hosting events easier, as a matter of fact, we had to learn to ride all over again. But we came out stronger, more resilient and with new skill sets.

Om geleenthede te organiseer is seker die mees onderskatte deel van die kommunikasiedepartemente, en ook die tydrowendste. Buiten die beplanning en



FUN FACT:

DID YOU KNOW THAT 87% OF BUSINESS DIRECTORS AGREE THAT IT IS EASIER TO COMMUNICATE WITH STAKEHOLDERS FACE TO FACE THAN VIA E-MAIL OR PHONE.

voorbereiding van die geleentheid (uitnodigings, gastelyste, programme, vervoer, spyskaarte, toekennings), is daar ’n magdom kommunikasie-aksies wat plaasvind: persverklarings, artikels, sosiale media, fotografie/videografie, skakeling met die media en borge ...’n vol pakkie, soos hulle sê. Benjamin Franklin se woorde is hier gepas: “For every minute spent planning, an hour is earned.” Sonder ure se goeie beplanning is ’n suksesvolle geleentheid buite bereik.

All-in-all we hosted/co-hosted three mega events in 2022. The DFI Transformation Awards in March (more than 200 guests), followed by the Hortgro Technical Symposium in June (more than 1000 attendees over the five-day period), and the Agri’s Got Talent Gala in October (more than 350 guests).

In between, we had a Langkloof Seminar and Orchard Walk (December 2021), 1662 Awards (April 2022), information days, and other smaller functions. All our events were well attended by all our stakeholders and what



a joy to be able to reach out and shake someone’s hand, or give a fist bump — all those hours spent planning and stressing was worth it in the end.

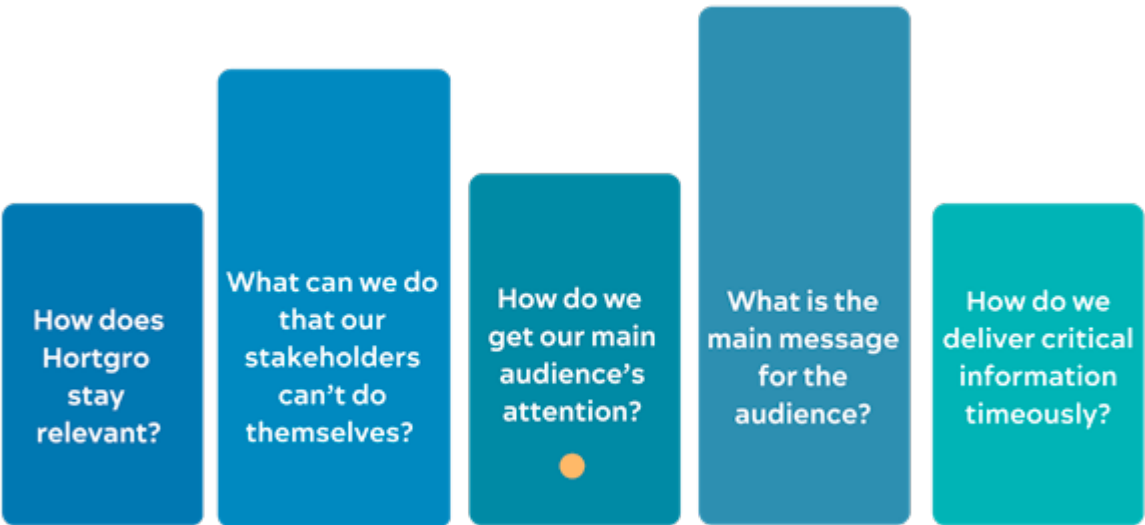
METaverse

The advent of digital in all its forms has deeply affected the way people live and how they interact. It has created one of the most important currencies in the world — attention.

Clients are constantly bombarded with images, videos, texts etc. It’s exhausting, and it means that Hortgro is at risk of being entirely drowned out.

Digital users take eight seconds to decide whether they want to read more about you. Eight seconds is all the time we have to engage our users and deliver our message.

THEREFORE THE QUESTIONS WE REGULARLY ASK ARE:



WHY?

We review outputs and strategy of content daily/weekly/monthly and adapt accordingly. Sometimes on very short notice.

Ten spyte van hierdie uitdagings het ons buitengewone groei op al ons sosialemediaplatforms gehad en ons advertensie-ekwivalensie (Advertising Equivalency/AVE) en reikwydte (Reach) het getoon dat ons opbrengs op belegging (ROI) uitstekende syfers toon.

THE VALUE OF VIDEO

In the attention war, the average time spent reading a newsletter in 2005 was 15 – 20 seconds (2005). Fifty-five percent of blog readers spend less than 15 seconds before they decide to read on or leave the page. Retention rate drops dramatically thereafter.

In contrast, video’s attention rate is much stronger and has become an important medium to get and retain attention; transmit important information/messages; engage with your audience/target market. People watch rather than read.

LinkedIn 3354 followers

YouTube 1990 followers

Facebook 5700 followers

Twitter 2893 followers

Instagram 1699 followers

HORTGRO ON TV

To optimize on the value of video, Hortgro tipped its toes in television water in 2022, joining Agri SA, and taking part in the very successful “Meer as grond” series on kykNET, hosted by Lynette Francis-Puren.

Tydens die eerste seisoen het ons by Stefan du Plessis van Elandsfontein, Ceres, gekuier en in die tweede seisoen by die Clüvers van De Rust, Elgin. Hortgro was ook uitgenooi na die Nasie in Gesprek-reeks by Kaap Nampo, waar Mariette Kotzé die Hortgro-vaandel gedra het. Kotzé was ook ’n gas op Agri Xtra en het Hortgro se voordrag gemaak by die Wes-Kaapse regering se “Kabinet ontmoet Landbou”-geleentheid.

Despite the metaverse, events and video, we provide technical and general articles for the SA Fruit Journal, Fresh Quarterly, Hortgro News, Transformation Times, and Fresh Notes.

The suite of web sites we run, include: Hortgro, Hortgro Science, Fresh Quarterly, Stone Fruit App, Hortgro Events, Hortgro Restricted, Agri’s Got Talent, and Jobs Fund Initiatives. We also offer communication services and support to Cape Flora, the International Prune Association, FFA, TCF and other industry associates from time to time.

Ons wil graag dankie sê aan elke produsent, gas, spreker, borg, joernalis en kollega wat Hortgro se kommunikasie-aksies in 2022 ondersteun het.

Kontak ons gerus vir komplimente en klagtes: info@hortgro.co.za

Hortgro Science

Wiehann Steyn | GENERAL MANAGER

To increase the competitiveness of South African deciduous fruit farming, research and development align with a strong efficiency drive throughout the entire value chain, addressing key risks to the sustainability of the industry, and provide information to access, develop, and maintain export and local markets. Research and development are very focused programmes with dedicated capacity and infrastructure clustered within the following areas: Market access and management of phytosanitary and invasive pests and diseases, production efficiency (volume of exportable fruit per unit area) through use of rootstocks, technology and data systems, climate change mitigation and water productivity, plant material quality and availability, and the maintenance of postharvest quality and reducing risk throughout the value chain.

Research questions are identified through 17 focus workgroups. The industry remains indebted to the 200 odd individuals who participate in these workgroups. The research questions form the basis of the new project proposals submitted annually to Hortgro and evaluated by four peer workgroups and three technical advisory committees for, respectively, scientific merit and industry relevance. The workgroups and advisory committees also review the progress and final reports of each of the research

projects funded by the pome and stone fruit industry. In addition, the technical advisory committees advise Hortgro Science on the dissemination of results to industry.

The leverage of external funding and access to government funding remains a key challenge. Hortgro is currently co-funding three projects with the Water Research Commission (WRC) while we will also participate in the fifth round of the Postharvest Innovation Fund co-funded by the Department of Science and Innovation and administered by the Fresh Produce Exporters' Forum.

Sixteen research facilities and private researchers were utilised to conduct 102 research projects during 2021/22 with 35% of the project budget being spent at eight departments of Stellenbosch University. We have observed an increase in multidisciplinary projects and a broadening of the research scope in alignment with our research strategy. All new projects funded during the current cycle were identified and prioritised by the fruit growers, technical advisors and researchers forming part of the focus workgroups.

RESEARCH PROGRAMMES

Crop Production

The main research driver of the Crop Production Programme is to increase the production of high-quality fruit in order to

maximise profits per hectare. Main risks addressed through research are water quality and availability, climatic extremes, and plant material availability and quality.

Crop Protection

The Crop Protection Programme is multidisciplinary in nature and focuses on nematology, entomology, and plant pathology. There is a strong focus on the effective management of various phytosanitary pests and diseases. A major driver is to find biological alternatives for pest and disease control considering the increasing market resistance to chemical use and the decreasing availability of acceptable chemical control options. Soil health and regenerative agriculture are becoming increasingly important themes. The previous year has seen a significant increase in the number of phytosanitary and market-access related projects. It is worth mentioning the completion of a project that showed that the polyphagous shot hole borer (PSHB) poses a major risk to the South African deciduous fruit industry. A comprehensive strategy to combat PSHB is in development.

Postharvest

Research within this programme is aimed at ensuring that product integrity is maintained

and that a quality product is available to the end-consumer in local and distant markets. The programme overlaps significantly with the other programmes in studying and finding solutions to postharvest defects and decay. Significant effort is spent finding plastic packaging alternatives that will maintain product integrity during the long voyage to the consumer.

COMMUNICATIONS

Fresh Quarterly

Fresh Quarterly is going from strength to strength as the key vehicle to communicate research results to the grower and there is a steady increase in downloads. Fresh Quarterly now has its own website (www.freshquarterly.co.za) with functionality like keyword searching and downloading of individual articles.

Hortgro research showcase and symposium

The 2022 Hortgro Science Technical Symposium was a huge success and very well attended despite COVID-19 restrictions on the number of attendees. Prof Lee Kalcsits from the Washington State University attended the symposium while four international presenters from as far afield as

GOVERNANCE AND FUNDING

Hortgro Science is guided in its strategies and operations by the Hortgro Science Advisory Council reporting to the Hortgro Board and the Pome and Stone Producer Councils.

The Hortgro Science Advisory Council members are Stephen Rabe (Chairman), Grant Smuts (Vice-chair), Linde du Toit, Frikkie Jacobs, Charl Stander, Raymond Koopstad, Wesley Hendricks, Prof Karen Theron and Dr Ilse Trautmann.

Prof Theron and Dr Trautmann joined the council during 2022, adding vast experience in the field of research management.

Anton Rabe (Hortgro executive director) is a non-voting, ex-officio member.

New Zealand and Brazil delivered online presentations.

Apps

The Stone Fruit App was updated with additional cultivars, Phytclean protocol, marbling management information and cross pollination compatibility.

A climate change forecast App based on climate change modelling conducted under the leadership of Prof Stephanie Midgley is in development.

Fresh Notes, Timely Hints and www.hortgro-science.co.za

Visit the Hortgro Science website to gain information on the research process and who is involved in the different workgroups, peer workgroups and technical advisory committees or to obtain an understanding of the different research programmes and the projects that are part of the programme. Fresh Notes or the latest Stone fruit timely hints can be downloaded from the website.

Capacity development

The development of the next generations of scientists and technical people who can service the industry is an important byproduct of the research process. Twenty-seven post-graduate students were funded during 2021/22 of which there were one Honours, 16 MSc's, eight PhD's and two Postdocs. Forty-eight percent of the students are women and 33% of the students are black. One quarter of the research budget is directed towards funding research posts seconded to Stellenbosch University.

The building of the phytosanitary facility (PHYLA) at Welgevallen Experimental Farm of Stellenbosch University was completed and the first phytosanitary trials have commenced. Drs Minette Karsten and Renate Smit were respectively appointed as applied entomologist seconded to the Department of Conservation Ecology and Entomology at Stellenbosch University and PHYLA manager and phytosanitary researcher. These two appointments will further strengthen our capacity to deal with crop protection and phytosanitary issues.

Hortgro Technical

Hugh Campbell | GENERAL MANAGER

The Hortgro Technical Coordinating Committee (HTCC) has been created to provide strategic direction and support in technical aspects to Hortgro and charged with the key responsibility to coordinate and align technical activities of Hortgro Pome and Stone across the different entities where

Hortgro has a direct and indirect interest. The General Manager of Hortgro Technical, as the custodian of this portfolio, is charged with the role of providing strategic leadership and coordination and act as a link between the different technical entities servicing the pome and stone fruit industries.



Plant Material Management

Hugh Campbell | MANAGER

The Hortgro Plant Material Management (PMM) portfolio seeks to provide leadership, strategic direction, and support to all aspects of plant material along with coordination and alignment of all plant material activities. The three focus areas are: plant improvement, genetic material acquisition and development, and independent evaluation.

The focus of the 2021/22 year has been on plant improvement. The two industry custodians of plant improvement are the Deciduous

Fruit Plant Improvement Association that administers the plant certification scheme, and SAPO Trust which is one of the registered plant improvement organisations registered under the scheme. Hortgro Pome and Hortgro Stone together are the major shareholders of SAPO Trust.

Participation in the certification scheme has decreased to the current low of 33% certification of both stone and pome fruit nursery trees.





This is an unacceptably low figure. The various producer associations therefore requested a comprehensive review of the plant material landscape including a look at international best practice, the scheme itself and the industry structures serving this space. A task team was put in place to reimagine what is understood by plant improvement and to develop a best practice template. An intensive study of six international and three local certification schemes was embarked upon which included a technical fact-finding visit to the leading plant improvements institutions in Europe, notably, Naktuinbouw (the Netherlands), CTIFL (France) and CAV (Italy).

After the benchmarking study, an implementation plan is now in the process of being developed to address the major shortcomings of the current system. “Start clean, end clean” along with ensuring true-to-type trees with the right physical attributes are the underlying principles that will drive the process going forward.

Access to cultivars of choice is a key driver of all growers – large and small. It is the objective of the PMM programme to enhance

and facilitate this dynamic environment to maximise access to cultivars and where there is a collective need, to put mechanisms in place to address those needs without interfering with innovation and commercial interests in the space.

A task team was put in place to reimagine what is understood by plant improvement and to develop a best practice template.

Hortgro Pome and Hortgro Stone continue to support the independent evaluation of cultivars through its financing and support of five pome and six stone fruit ProHort evaluation sites in the different regions of South Africa. These ProHort sites are managed by Provar and enable the independent evaluation of imported and local cultivars. We believe that these sites and the independent evaluation conducted by Provar will add great value to growers and will assist them in their decision making relating to the planting of new cultivars. We request growers and cultivar owners to actively support this initiative and demand fully evaluated cultivars from IP owners.

Trade and Markets

Jacques du Preez | GENERAL MANAGER

Just as one thought: “Nothing else can go wrong,” it did. The stone fruit season started off with the woes of shipping and logistical issues locally but also globally. Shipping rates reached all-time highs and disastrous delays were experienced, specifically in the Cape Town port. The shipping delays led to

vessels omitting the Cape Town port and resulted in thousands of containers that had to be trucked to other ports at great cost to be able to board vessels for certain markets – the impact of these delays on fruit quality and returns to growers were direct and disastrous.



The hope of a recovery after the Covid-19 era was dashed with the Russia/Ukraine conflict which led to further chaos in global shipping and logistics, a jump in fuel/gas prices, shortage of fertiliser and increased chemical costs. Pears were hit the hardest, but again all fruits suffered due to a sudden oversupply in Europe and further delays in EU ports.

Shipping rates have started to decline, and global shipping dynamics are recovering, albeit at a slower rate than we would like. The short to medium term outlook from a trade perspective remains tough.

Sadly, the industry had very good crops, but the impact of the delays wiped out all hope of a good season. Eventually plums suffered the most, but all fruit kinds were affected severely.

Never before has logistics, and specifically our ports received so much time, effort and investment from industry's side. Currently, we are still far from ideal in terms of port infrastructure, equipment, efficiency, and throughput, but we believe we are in a better position for 2023 than a year ago.

Another blow was the Taiwan market that closed for a significant period due to newly introduced requirements not communicated clearly in advance, as well as a magnifying glass on phytosanitary pests. It was all hands on deck to navigate all these unforeseen challenges.

The so-called "Special markets" (USA, China, Taiwan, Mexico) have become more and more difficult (and expensive) to manage and keep open. For that matter one could also include the UK and EU. Fortunately, the

PhytClean and eCert systems functioned much better during 2022, with the funding and capacity problems hopefully now something of the past. We will continue to improve the functionality and ease of use of these systems.

For the first time in decades the stone fruit industry, specifically plums, made use of the USA market after a rocky start. Over 300 000 cartons of plums were shipped to the USA, which not just adds to the marketing options the industry has, but also is a great learning experience for future markets in the East when it comes to cold treatment requirements. There are also other markets that are already open, but not utilised by the industry for which "test" consignments is being planned for 2023. It is vital however that informed cultivar choices are made and that such new markets be built with sound quality.

Economies all over the world were under pressure with consumer spending also taking a blow. Shipping rates have started to decline, and global shipping dynamics are recovering, albeit at a slower rate than we would like. The short to medium term outlook from a trade perspective remains tough.

On the market access front there were great successes that would have been celebrated more if it was not for all the other fires to tend to. Pears gained access to China for the first time in history after many years of hard work. After initial additional packaging requirements that had to be overcome, we are now set for substantial volumes to be shipped to this market. Apple exports to China for 2022 recorded record volumes and exceeded 1 million cartons for the first time.

Another success was the return to in-transit cold treatment of apples and pears to India. This will potentially be a game changer for this market which already recorded record volumes exported during 2022. A similar process will now follow for plums. For the first time in many years there was also feedback from the Thai authorities on apple access, so this is the main target for new access in the short term.

The FEMA (Forelle Early Market Access) programme seems to have matured and has hit the natural equilibrium of FEMA vs. normal protocol Forelle, optimising the use of industry research and available technology. It has truly breathed new life into this important cultivar in the pear industry.

The Gain, Retain and Optimize (GRO) market strategy remains a key focus area within Hortgro. The pressure of retaining market access to existing markets is becoming an ever-increasing challenge with growing (even blatant) protectionism in our traditional markets. The importance of managing phytosanitary pest like false codling moth, fruit fly, codling moth, red spider mites and grain chinch bug, to name a few, cannot be underestimated and industry needs to become much more serious, vigilant and pro-active on this front with risk mitigation systems. We cannot afford to take any risks on interceptions of pests of concern in any market. The challenge of the use of chemical products to manage these pests is growing. We will lose some key chemicals and we need to find solutions through our sciences-based research and working with chemical companies to find and register alternatives.

The Trade Awareness and Consumer Education programmes took a couple of exciting steps forward. For stone fruit the focus and activities remain with focus mainly in the EU, UK, and Middle East, whereas the focus for pome fruit is the Middle East, Far East and Africa. The Indian and Chinese market development programmes built on the success and momentum of 2021 and a pilot co-branding campaign was launched in Africa. For both pome and stone fruit, the importance of the local market has been reiterated, with these forming part of the short and longer term plans to optimally serve and use this market.

Another success was the return to in-transit cold treatment of apples and pears to India.

So, onward we will go. We will continue to adapt and adjust and focus on the essentials as required. We are hopeful that 2023 will be better than 2022, but it will be tough.

Communication, use of available information, break-even points, perspectives on the cost chain, and specifically predictive market intelligence and transparency will remain critical in navigating the immediate future. As individuals and the collective we will simply have to work together like never before and effectively deal with those things within our control. There are enough challenges out there and no place for us to quibble amongst ourselves on immaterial matters whilst we can collectively address many challenges with a coordinated effort.

Key Industry Perspectives	Hectares Pome 37 699 Stone 15 993	1 158 growers	60 500 on-farm agri-workers
Total pome and stone turnover R15.67 Billion	Total production 1.94 million tons +15% Y-O-Y	SA exports to 88 countries	46% of total production =exported
SA ranks 8 th as global deciduous fruit exporter	Per capita fruit consumption 5.19kg	Pome Fruit 92% income generated = fresh sales	Stone Fruit 85% income generated = fresh sales

Information and Market Intelligence

Mariette Kotzé | GROUP OPERATIONS MANAGER

The macro- and microenvironment within which the industry operates is characterised by high levels of volatility, uncertainty, complexity, and ambiguity, in short, the VUCA world. Challenging each supply chain actor from producers right through to consumers to take responsibility and accountability for their respective roles within the chain to ensure that the industry at large remains agile to respond to the numerous challenges and remain relevant, profitable, and sustainable. We need to think and do differently, or simply put, do more with less!

To achieve this, the reliance on credible and timely data and market intelligence is crucial to establish greater transparency and to influence real-time decision making. During trying times like these the value of the investment made by growers and other role-players in an organised industry body is reconfirmed.

The Fourth Industrial Revolution which, until recently, was only a “buzz-word” has now become reality and is radically changing the world around us through massive and rapid

technological changes and the merging of technologies driving the digitised era.

At Hortgro we strive to create and facilitate an environment where our growers can proactively adapt to the fast-changing environment and capitalise on the opportunities presented herein and manage their risk. To do this, credible, reliable and the timely provision of data and information is a prerequisite. Hence the continued emphasis on data and information management at a production, trade, and marketing level to enable better decisions and strategic planning for the support and growth of our industry.

Hortgro is currently in the process of exploring means of integrating various datasets to develop a holistic information management system to increase the availability and accessibility of near real-time data. This comes with a big responsibility towards each of our growers and stakeholders regarding the protection of personal information whilst at the same time balancing critical business information. Confidentiality, however, is not negotiable, and we continue to take the necessary actions to maintain confidentiality levels.

The Covid-19 pandemic, the Russia-Ukraine conflict and rising administrative costs (such as electricity, fuel, interest rates) and inflation has resulted in unprecedented increases in production, packing, marketing,



and logistical costs. Many of these factors are not within the control of growers and are forcing a change in the business model. Hortgro, through our collaboration with, amongst others Agbiz, AgriSA, Agri Western Cape and Fruit SA will continue to address these issues at a national level stressing the impact on the fruit industry and subsequent rural communities, food security and job creation.

Economies of scale, greater integration, productivity, and greater efficiencies will remain key to addressing the economic pressures on growers and value chain actors.

ECONOMIC DEVELOPMENT

Hortgro has played an instrumental role in developing the new generation of farmers through various economic and socio-economic initiatives to sustainably transform the industry. The current economic realities of the industry, not only on a primary level but throughout the value chain, poses a great risk to sustain previous and current initiatives that aim to establish a new generation of producers and value chain participants within a generational succession mindset. Partnerships between the public and private sector remain central to mitigate these risks

and continue to transform the industry. At Hortgro we value our partners in the development process with specific reference to our commercial growers and stakeholders, Western Cape Department of Agriculture, and the Jobs Fund.

The pome- and stone-fruit industry have over the last decade repeatedly demonstrated its commitment towards sustainable development and transforming the industry through various initiatives such as the tree planting project, the Deciduous Fruit Development Chamber commercialization programme and more recently the Deciduous Fruit Value Chain financing project referred to as Hortfin. Many of the achievements to date were recorded in a transformation publication *The Deciduous Fruit Industry – Changing Times*. These achievements would not have been possible without our partners. Very often the narrative concerning developmental initiatives and programmes are negative, whilst we are of the opinion that we are making headway with the development process. The rate of transformation in our industry remains a challenge and therefore is a core focus area within Hortgro at a primary and value chain level. Hortgro remains committed to economic development and transformation of our industry. All we can say is watch this space!

Statutory levies and public-private-partnerships enabled transformation initiatives refocused from training, welfare, skills development to economic development and support programmes.

A decade of transformation

R444.5 million industry funds invested	90% success rate throughout projects	R228 million invested through government facilitated programmes
844 ha established	3125 new jobs created	R8.015 billion value of new orchards

90% of industry transformation funds channelled for economic development



Learning and Development

Astrid Arendse | HUMAN RESOURCES MANAGER

In March 2022 the Hortgro Learning and Development Department was established. The purpose was to centralise training interventions and development projects under one department. An analysis was done to ensure that the industry needs are addressed when developing and identifying training interventions. This new venture is made possible through a public sector participation between Hortgro and the AgriSETA.

INDUSTRY LEADERSHIP DEVELOPMENT PROGRAMME

Twenty potential young leaders were recruited early in 2022 to join in our first industry leadership development programme. This programme aims to develop and expose candidates over a period of two years to create a pool of potential future leaders. They participated in three sessions of two days each where they had the opportunity to build relationships amongst themselves, engage with industry leaders and learn more about the industry and the role of the various organisations and role-players in our industry.

The candidates had the opportunity to visit FruitFly Africa, SAPO Trust, Phyla, Lucerne Packhouse as well as the ProHort experimental farm. During the third session, a visit to the port and a cold storage facility provided some insight into trade and markets.

BURSARIES

The Hortgro undergraduate bursary fund has 33 bursary students with a total budget of R1.78 million. These students are enrolled for agricultural qualifications in various institutions including Elsenburg, Stellenbosch University, Potchefstroom College of Agriculture, Northwest University, CPU, Unisa and CTU Training Solutions.

We were excited to host our first bursary function since 2019 after the Covid-19 pandemic and we were honoured to have Dr Ivan Meyer, MEC Western Cape Department of Agriculture, as our keynote speaker.

PROGRAM VIR LEIERSKAPSONTWIKKELING VIR PRODUKSIEBESTUURDERS

Twee groepe junior bestuurders/toesighouers het in 2022 die unieke leierskapsontwikkelingsprogram suksesvol voltooi. Die program se doel is om produksiebestuurders en spanleiers in die vrugtebedryf se vaardighede te ontwikkel en sodoende produktiwiteit en doeltreffendheid op plase en pakhuis te verbeter. Studente het die geleentheid om netwerke te bou en te leer van kollegas in soortgelyke posisies.

SHOP STEWARDS AND LABOUR UNION LEADERSHIP TRAINING

Hortgro supported training of 100 shop stewards and union leaders. The purpose of this programme is to educate and train shop

stewards and labour union leaders in the fruit industry. The training is focused on the role of unions and shop stewards in the workplace, understanding labour relations and the basic conditions of employment as well as conflict resolution and dispute management.

MENTOR- EN INTERNSKAPPROGRAM

Die Hortgro-mentorskapprogram bestaan tans uit 32 studente wat hul internskappe by verskeie produsente en pakhuisse voltooi. Hierdie interns bestaan uit studente wat praktiese ondervinding moet opdoen as deel van hul kwalifikasie asook gegradueerdes wat vir die eerste keer toetree tot die werksmag.

Tydens die internskap word die studente blootgestel aan praktiese werk en kry hulle die geleentheid om die teorie wat hul tydens hul kursus geleer het, toe te pas in die praktyk. Die interns skakel ook in by die mentor-skapprogram waar die fokus vir die interns is om holisties te ontwikkel en hul beter toe te rus met sosiale en lewensvaardighede asook kommunikasie en interpersoonlike vaardighede.



Die impak van die mentorskap op die studente se lewens sowel as die plaas of pakhuis waar hulle werksaam is, is baie positief en ons wil graag meer produsente aanmoedig om geleenthede te skep vir studente om hul internskappe te voltooi.

Verskeie van die deelnemers word ná hul internskap permanente poste by die pakhuis of plaas waar hul geplaas was, aangebied.

HEALTH AND SAFETY TRAINING

Hortgro contracted Philani Training and Development Solutions to roll out health and safety training in the different areas. This will include: first aid level 1, health and safety representatives, and safety committee training.

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

QUALITY COUNCIL FOR TRADES AND OCCUPATIONS (QCTO)

The QCTO is a challenge for training providers and with the deadline hovering, it is important for our industry to develop and register qualifications. Hortgro facilitated in creating a platform where various training providers could engage in open discussions on the challenges and how to solve it. We have learned from one another and are continuously engaging to support one another to achieve the common goal of developing and registering qualifications with the QCTO.

Hortgro further assisted with the pilot study of the Horticultural Foreman Occupational Qualification facilitated by Koue

Bokkeveld Opleidingsentrum. A total of nine students were enrolled in the pilot study and will have completed the qualification in 18 months.

AGRISETA SITE VISIT

The AgriSETA visited our offices on the 24th of August 2022 to discuss implementation of the AgriSETA funds and to audit the AgriSETA/ Hortgro bursary programme. Two bursary students were asked to join the meeting for a short interview with the AgriSETA delegation and they were very impressed with the standard of our bursary programme.

AGRI'S GOT TALENT

Agri's Got Talent is a social development project which provides a platform to talented agricultural workers in the fruit and wine industries to showcase their singing and rapping talent whilst developing their personal and life skills.

Each year 10 agri workers are chosen through a selection process to participate in Agri's Got Talent. These finalists came together for a training week at Goudini Spa in Rawsonville where they received voice and stage training, preparing them for the AGT Gala evening at the end of the week. They also received media training and had the opportunity to be interviewed by Net 'n Bietjie Liefde presenter, Jason Baartman, a previous AGT finalist. Emotional support and life skills training, with a focus on personal development as well as a makeover and beauty training, formed part of training week.

After two years of virtual shows due to the pandemic, we could again host a gala event with a live audience supporting our finalist, where Jasmine Bones from

Witzenberg properties in Ceres was crowned as the winner.

Agri's Got Talent is a beacon of hope and continues to inspire and motivate agri workers to share and develop their talent.

AGT is a joint venture between Hortgro, Vinpro, The South African Table Grape Association, the Citrus Growers' Association and the Western Cape Department of Agriculture.



Industry Service Entities





FruitFly Africa (Pty) Ltd.

Ghian du Toit | MANAGER

FruitFly Africa looks back at a productive and satisfying year and invites you to have a glance behind the scenes of some of our activities.

STELLENBOSCH STERILE INSECT TECHNIQUE (SIT) PRODUCTION FACILITY

To get strong and healthy Mediterranean fruit fly larvae, it is important to make sure that they are fed properly. The feed mixture is specifically formulated to provide them with the right nutrients, and contains water, bran, sugar, yeast, and preservatives. Various quality control measures are followed to make sure that the adult sterile flies are healthy and able to adequately compete with their wild counterparts in nature. Some of the controls include i) pupae weight ii) sterile male flight ability and iii) irradiated male sterility.

PEST MONITORING

Monitoring of pests remains the single most important value proposition of FFA given its area-wide approach. Pest traps are monitored on a weekly basis. Trap counts and locations are swiftly communicated to producers, industry structures, and other stakeholders. This serves as a vital early warning system (EWS) to give producers valuable data on the presence and distribution of pests on their farms, but also the region.

FFA het in totaal 'n pesmoniterings-netwerk van meer as 60 000 ha, wat strek oor die Oos-, Wes- en Noord-Kaap, met die grootste fokus op peste met internasionale kwarantynstatus soos Mediterreense vrugtevlieg, *Bactrocera dorsalis* en valskodlingmot.

AERIAL BAITING

As part of an area-wide Integrated Pest Management (IPM) approach, FFA also coordinates and executes area-wide (AW) aerial baiting on commercial plantings by way of helicopters and/or fixed-wing planes. The aerial baiting used is of an organically certified insecticide (GF-120 NF).

It is estimated that fruit fly populations take four to 10 times longer to build up after an aerial baiting, compared to ground baiting. This is due to the “blanket effect” of aerial baiting where large regions can be covered in a relatively short time frame.

Lugspatte vind gewoonlik in die warmer maande van die jaar plaas wanneer vrugte-vliegpopulasies begin toeneem, en spatte word elke twee weke herhaal.

NEW PILOT ECLOSION

In pursuit of expanding the sterile insect technique (SIT) into other fruit production regions, FFA launched a pilot eclosion facility in Kakamas, Northern Cape, in January 2022.



Die tabel gee 'n opsomming van al die lugspatte wat in die 2021/22-seisoen plaasgevind het, en sluit statutêre en vrywillige spatte in:

Totale hektare gelugspat	Aantal lugspatte	Produksiegebied
45 796 ha	10	Hexriviervallei (ingesluit De Wet, Brandwacht en Nuy) - tafeldruie
44 387 ha	3	Oranjerivier (Boegoedam tot Blouputs) - droogdruie
26 952 ha	4	Elgin en Grabouw (ingesluit Hemel en Aarde)
18 718 ha	4	Vyeboom en Villiersdorp (ingesluit Kaaimansgat en Bossieveld)
18 106 ha	4	Langkloof
17 950 ha	4	Warm-Bokkeveld
14 534 ha	4	Oranjerivier - tafeldruie
7 926 ha	6	Tulbagh
7 922 ha	5	Wolseley
2 551 ha	4	Breërivier
2 262 ha	3	Olifantsrivier - droogdruie
904 ha	3	Hexriviervallei (ingesluit De Wet en Brandwacht) - sitrus
208 006 ha	54	Groottotaal

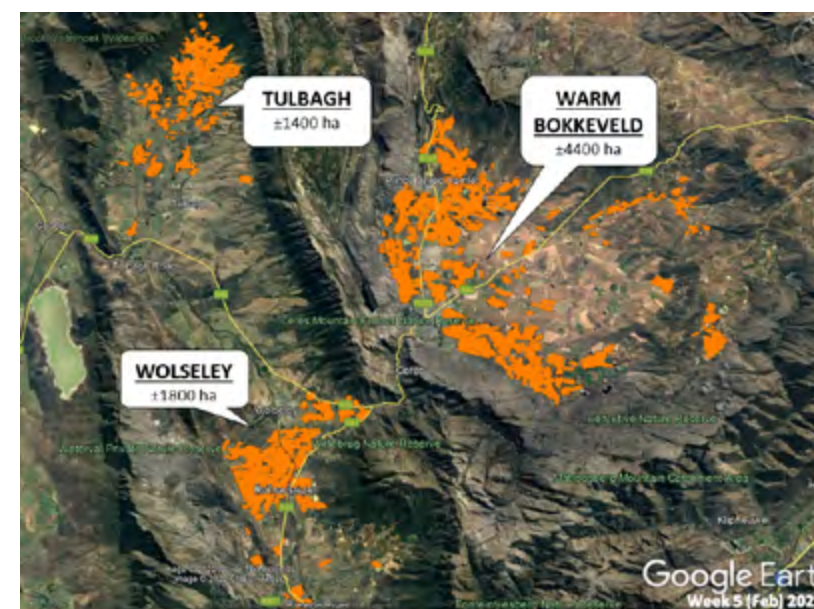
RaisinsSA staff, local producers and the grade 11 agricultural pupils of Martin Oosthuizen high school also attended the official opening event. Anton Rabe (voorsitter van FFA en uitvoerende direkteur van Hortgro), het 'n kragtige toespraak gelewer oor die internasionale belangrikheid van effektiewe pesbeheermaatreëls, en leerders ook bewus gemaak van die groot en opwindende geleenthede wat dié landbousektor inhou.

UNITE AND CELEBRATE!

Since FFA's personnel are dispersed over three provinces, it is important to come together from time to time to engage with one another as a collective unit. We therefore invested in a two day gathering at Hortgro's Bernheim farm (Paarl) in May this year. The first day was used as a training opportunity when we invited Chempac and Corteva to talk

about their products and new developments in the field of pest monitoring and aerial baiting. The second day, which we dubbed the “end-of-harvest function”, as opposed to the traditional December “year-end function”, was thoroughly enjoyed by everyone. The day included a potjiekos competition where each of our six regions had to come up with a novel theme and three-course meal, which were evaluated by a panel of judges consisting of Elouise van Zyl (Hortgro), Nando Baard (ex-manager of FFA) and JC Smith (Netcore-IT).

But the most important aspect of the day, by far, was the long service awards ceremony. Mother Teresa was right when she said: “There is more hunger for love and appreciation in this world, than for bread.” Met hierdie seremonie, wat sertifikate en geskenkbewyse ingesluit het, sê FFA aan sy personeel: “Baie dankie vir julle harde werk, lojaliteit en toewyding!”



Hier is 'n voorbeeld van die Google Earth-lugspatkaart soos ontvang van ons lugspatkontraakteur, vir 'n spat in Ceresvallei en aangrensende gebiede, in week vyf van 2022. Dit gee 'n visuele idee van die omvang, en impak, van FFA se area-wye lugspatprogram.



Culdevco (Edms) Bpk.

Dr Leon von Mollendorff | BESTUURDER

Dr Von Mollendorff was succeeded by Mishkaat Anderson in September 2022

ALGEMEEN

Soos in die geval van die 2020/21-seisoen, was alle aanduidings daar dat die 2021/22-seisoen 'n baie belowende seisoen vir kern- en steenvrugte, asook tafeldruiwe, sou wees. Die klimaat het ook aan dié verwagting voldoen en rekordopbrengste het veral by steenvrugte en tafeldruiwe gerealiseer. Steenvrugte het oor die algemeen 'n uitstekende vrugkwaliteit gehad.

Culdevco het ook besluit om aanpassings met betrekking tot die evaluasie van steenvrugte en tafeldruiwe te maak en om vir periodes van sewe tot agt weke opbergingsvermoë te evalueer.

Ten spyte van die enorme logistieke uitdagings die afgelope seisoen, het Culdevco se gelisensieerde pruimkultivars soos Ruby Sun, Laetitia, Ruby Star en African Delight® uitstekend gevaar. Veral Ruby Sun en African Delight® het besonder goed gevaar en het redelike goeie pryse onder die moeilike omstandighede behaal. Culdevco het ook besluit om aanpassings met betrekking tot die evaluasie van steenvrugte en tafeldruiwe te maak en om vir periodes van sewe tot agt weke opbergingsvermoë te evalueer.

Sodoende kan kultivars, wat wel vir langer periodes koelopberging kan deurstaan, vroegtydig geïdentifiseer word.

BBBEE ACTIVITIES

The shareholders of Culdevco, Hortgro Stone, Hortgro Pome, SA Table Grape Industry, Canning Fruit Producers' Association and Raisins SA took a significant strategic decision to establish a BBBEE non-profit company named Cultipowered NPC. The objectives of Cultipowered are to facilitate, support and co-fund transformation with regards to its own goals. Cultipowered NPC, as a majority shareholder in Culdevco (51%) will help to achieve the objectives of the deciduous fruit industry through its involvement in Culdevco.

Cultipowered NPC's objectives will include the establishment of scholarships, bursaries, awards and study loans, as well as research in the interests of the relevant fruit industries. In general, it will also promote and coordinate equitable access and participation within the value chain and for the fruit industries.

The introduction of Cultipowered as shareholder ensures that Culdevco is

recognised as a level two contributor in terms of the BBBEE Act.

FINANSIES

Culdevco het 2021/22 se finansiële boekjaar met 'n toename van ongeveer 25% bo die begrote totale inkomste van die 2020/21-boekjaar afgesluit. Dit kan hoofsaaklik toegeskryf word aan 'n verhoogde tantième-inkomste vanuit die buiteland asook beter inkomste vanuit produksie-tantième binne Suid-Afrika. 'n Laer as verwagte inkomste het vanaf boom- en stoktantièmes gerealiseer en kan hoofsaaklik aan die volgende redes toegeskryf word:

- Redes wat verband hou met logistieke probleme (soos reeds aangedui)
- Die groeiende insetkoste
- Die skade wat produsente gely het ten opsigte van die pruimviroïed
- Die afwesigheid van nuwe kompetende kultivars vanuit die Landbou Navorsingsraad (LNR) se teelprogramme.

Die besparings op die uitgawes kan ook grotendeels aan die Covid-19-inperkings toegeskryf word.

CULTIVAR DEVELOPMENT

Currently Culdevco Pty (Ltd.), as a cultivar marketing and commercialising company, has 162 ARC (Agricultural Research Council) cultivars under its management. The varieties include apples, pears, plums, peaches, nectarines, apricots, table and dried grapes.

The continued partnership between the ARC and Culdevco resulted in the release of several exciting new cultivars during the last three years.

These include, amongst others, Afri Ruby (low chilling striped apple), Cape Blush (a very early blushed pear), Flavour Star (excellent tasting plum, ripening early February) and Lunar Gold (clingstone peach ripening just after Kakamas peach).

Culdevco continues to partner with Provar, to evaluate many exciting new early blush-pears, mid-season plums, a number of peaches further independently for the fresh, canning and dried fruit industries and several selections for the table grape and raisin grape industries.

BUITELANDSE BEMARKING

Ten spyte van die inperkingsregulasies, is daar ook goeie vordering gemaak om nuwe belowende kern- en steenvrugkultivars en seleksies na Culdevco-lisensiehouers in Chili, Frankryk en Griekeland te stuur vir evaluasie. Nuwe lisensieooreenkomste is ook met organisasies in Namibië (appels), Frankryk (geelskilpruime) en Spanje (tafeldruiwe) gesluit, terwyl evaluasie-ooreenkomste (pere en appels) met twee organisasies in Frankryk onderhandel is.

GENERAL

The Culdevco General Manager for the past 15 years, Dr Leon von Mollendorff, retired at the end of October 2022. Mishkaat Anderson was appointed in September 2022 as the new General Manager. The management of Culdevco wishes to thank its board members for their valuable inputs on strategic matters as well as their loyal support over the last years. Lastly, Culdevco wishes to thank all our stone and pome fruit, table, and raisin grape growers for their continued support in planting Culdevco licensed cultivars in recent years.



SAPO Trust

Shawn Coetzee | CEO

SAPO continues its focus on plant improvement and has made a conscious decision to set its plant improvement objectives beyond that of the current voluntary plant certification schemes. Subsequently, SAPO’s operating model continued to evolve during the last year by introducing new operational and technical initiatives to strengthen existing plant improvement practices, expediting the number of plant material tests, and taking a firm stance to refrain as far as possible from any plant material not subjected to best practice plant improvement processes to mitigate risks to protect the deciduous fruit industry.

SAPO’s position as an organization with an industry focus, continues to be a significant enabler to the deciduous fruit industry. It is through this unique position in the market, together with its proven track record to deliver on promises made to its clients, that SAPO continued to attract new varieties, that more plant breeders are keen to do business with SAPO, and that SAPO’s one-stop-shop service offering remain in high regard amongst its global clients.

Given the importance for businesses to adjust to the fierce economic times currently faced across an array of industries, SAPO is not spared from financial pressure. SAPO’s finances will therefore remain under pressure in the ensuing year. It is within this

context that an industry-wide strategic plant improvement review process was initiated to explore avenues for optimized plant improvement practices with potential financial derivatives.

GOVERNANCE AND STRATEGIC HIGHLIGHTS

The SAPO Board of Trustees has seen the following changes: Hortgro Pome is now represented by Paul Clüver (Jr.) replacing Calla du Toit who has been a long-serving member on the SAPO Board and an active contributor to the SAPO fraternity in shaping its business offering over time. Following SAPO’s exit from the commercial nursery tree business, the Deciduous Fruit Nursery Association (represented by JD van Deventer) is also no longer represented on the SAPO Board.

Over the period 1 October 2021 to 30 September 2022, four board meetings, four audit committee meetings and two human resources committee meetings were held. Willem Bestbier continued in the capacity of audit committee chairman while Anthony Dicey, Vice-Chair of the SAPO Board, continues to serve as chairman of the human resources committee.

During the 2021/22 year, SAPO received another unqualified (clean) audit by its external auditors, Exceed Chartered Accountants (SA). Further audits included

an audit on SAPO’s processes to collect fruit and tree royalties, as well as an audit on a selection of its contracted nurseries. Both these independent audits were unqualified demonstrating the confidence of the external auditors in SAPO’s governance processes.

In a quest to ensure the best available plant material to the deciduous fruit industries, a foundation tunnel has been erected at its Fleurbaix premise as feeder to its outside foundation blocks. More opportunities are explored to optimise its existing facilities to expand this capability. A project has been initiated to upgrade SAPO’s virus elimination facilities. This process would be completed by December 2022 and the virus elimination service would be available to the wider industry, including plant breeder companies.

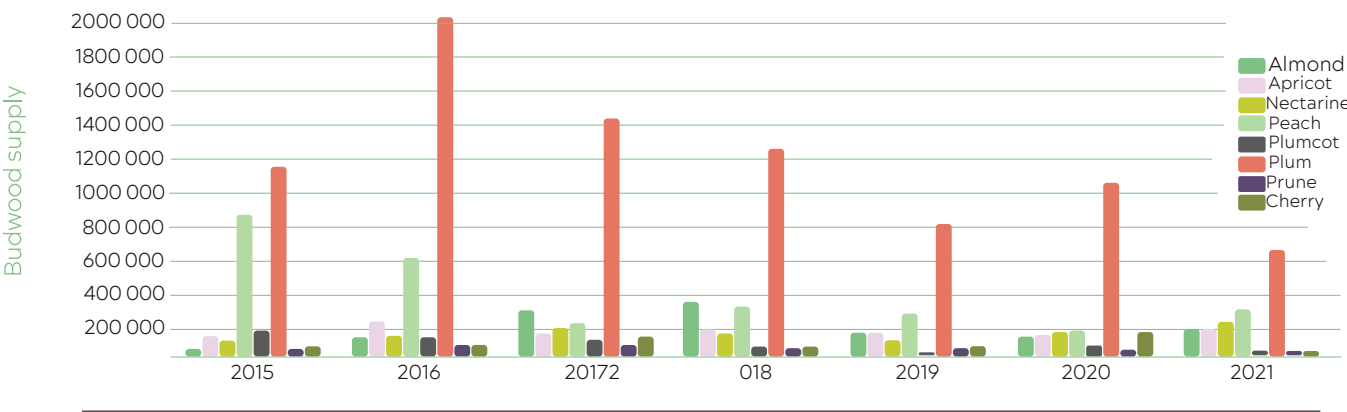
OPERATING HIGHLIGHTS

Plant material supply

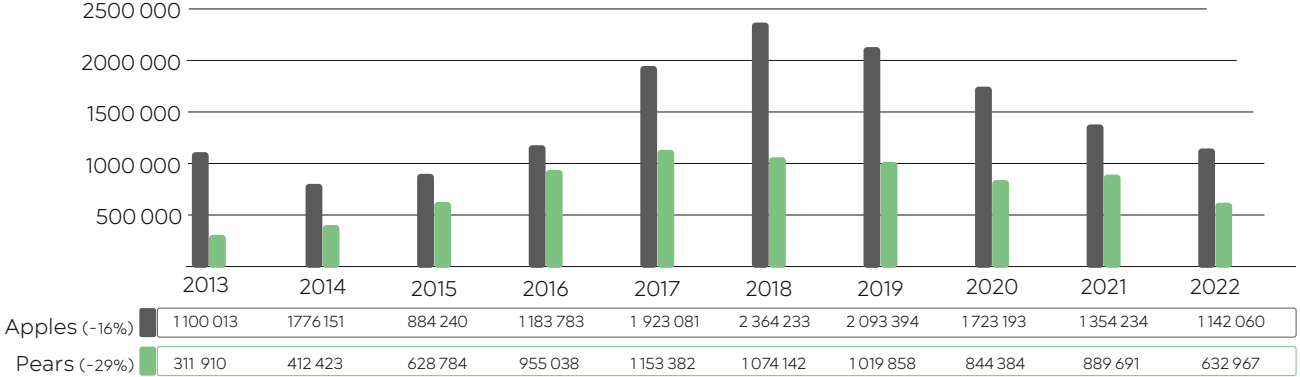
The demand and supply of plant material tends to reflect the tough economic times experienced in the deciduous fruit industry over the reporting period.

Although the supply of stone fruit plant material recorded a slight decrease of 3% year on year, nectarines, apricots, peaches, and almonds exhibited significant increase in sales (between 72 to 90%) on plant material supplied to nurseries. Varieties that stood out were Ruby Sun, Sunectwentyone, Alpine, Bulida and ARC PR-2. The overall decline in the demand for stone fruit plant material can be ascribed to lower budwood sales of cherries (85%), prunes (76%), plumcots (52%), and plums (34%).

Graph 1. Stone fruit plant material from 2015 – 2021



Graph 2. Pome fruit plant material from 2013 – 2022



The supply of pome fruit material supplied were also significantly decreased – apples down by 16% and pears by 29%. The most prominent apple varieties were Bigbucks (Flash Gala™), Early Red One, Fuji Royal and Granny Smith. The main pear varieties were Rosemarie, Forelle and Celina.

Producers in the Limpopo province continue to produce excellent quality fruit. An opportunity therefore remains that the production of new varieties needing fewer chilling units be expedited in future. SAPO's wide spectrum of budwood is geared towards assisting the industry with the supply of good quality plant material in this area in addition to its traditional pome- and stone-fruit production areas.

VARIETY DEVELOPMENT AND INTELLECTUAL PROPERTY MANAGEMENT

The Variety Development and Intellectual Property (IP) Management unit of SAPO

has continued to grow during the 2021/22 period. SAPO successfully signed four new variety management agreements, filed four new Plant Breeders' Rights Applications, and secured new agreements for the testing and evaluation of promising pears, peaches, and apple mutations, with the aim of commercialisation of the mutations in future.

An increasing number of organisations are opting to choose SAPO to assist with various aspects of registrations and variety management.

SAPO's non-exclusive variety management and IP model continues to be a distinct competitive advantage and an important enabler to producers and its 48 IP clients located across the globe. This non-exclusive model will ensure that producers will have access to most of the SAPO managed varieties, whilst royalties can be sustained at more competitive rates to the producer, given the economies of scale involved.



PLANT IMPROVEMENT

Over the last year, SAPO's ISO 17025 accredited pathology laboratory has made significant strides in improving its capacity for modern diagnostics with the acquisition of a Thermo Fisher real-time PCR machine. This enables more efficient testing, not only for viroids, but also for viruses. The use of real-time PCR and real-time LAMP tests ensures that the laboratory remains at the forefront of diagnostic techniques for the deciduous fruit industry.

The laboratory tested a total of 65 481 samples during the past year as presented in Table 1. It is evident that pome and stone fruit comprises a large portion of tests, due to the larger number of viruses required for testing by the Plant Certification Scheme and efforts to ensure good plant material of a high health status to nurseries and eventually to the deciduous fruit producer.

SAPO is tans in die proses om die produksie van grondvesplantmateriaal in tunnels by die Fleurbaix-perseel op Stellenbosch te ondersoek. In hierdie verband is daar reeds suksesse bereik op wingerd, met 'n grondvestonnel wat opgerig is in 'n poging om die kwaliteit en gesondheid van grondvesplantmateriaal verder te verhoog. In die proses word minder belangrike variëteite uitfaseer om die gebruik van die huidige fasiliteite op Fleurbaix te optimaliseer.

NURSERY SERVICES

As a result of the phasing out of commercial nursery trees, SAPO's Riviersonderend-based nursery sold a lower number of trees during the 2021/22 period. A total of 31 924 were sold with the following breakdown: apples (19 204), pears (8 895), almonds (1 270), nectarines (821), cherries (499), peaches (493), apricots (326), plumcots (208) and plums (208). The last commercial trees will be sold during the 2022/23 cycle.

The Riviersonderend nursery is earmarked to be transformed towards a focused plant improvement facility in line with its original intent – to function primarily as a foundation nursery. A review process is currently underway to ascertain how best this facility could be repositioned for this role.

Notwithstanding the anticipated developments, the Riviersonderend facility continues to be a key supplier of mainly stone-fruit rootstocks to nurserymen with a large proportion of these rootstocks carrying foundation status – more frequent tests, higher status, greater confidence. A further key facet remains the production of high quality budwood in its isolated budwood parks further strengthened by its ability to produce it on a large scale.

Test description	Total
ELISA test stone and pome fruit	37 213
ELISA test grapevine	24 334
PCR test - pome fruit	1 281
PVd1 LAMP - stone fruit	2 653

Table 1.
Laboratory tests conducted at
SAPO Trust laboratory during 2021/22



Tissue Culture Facility

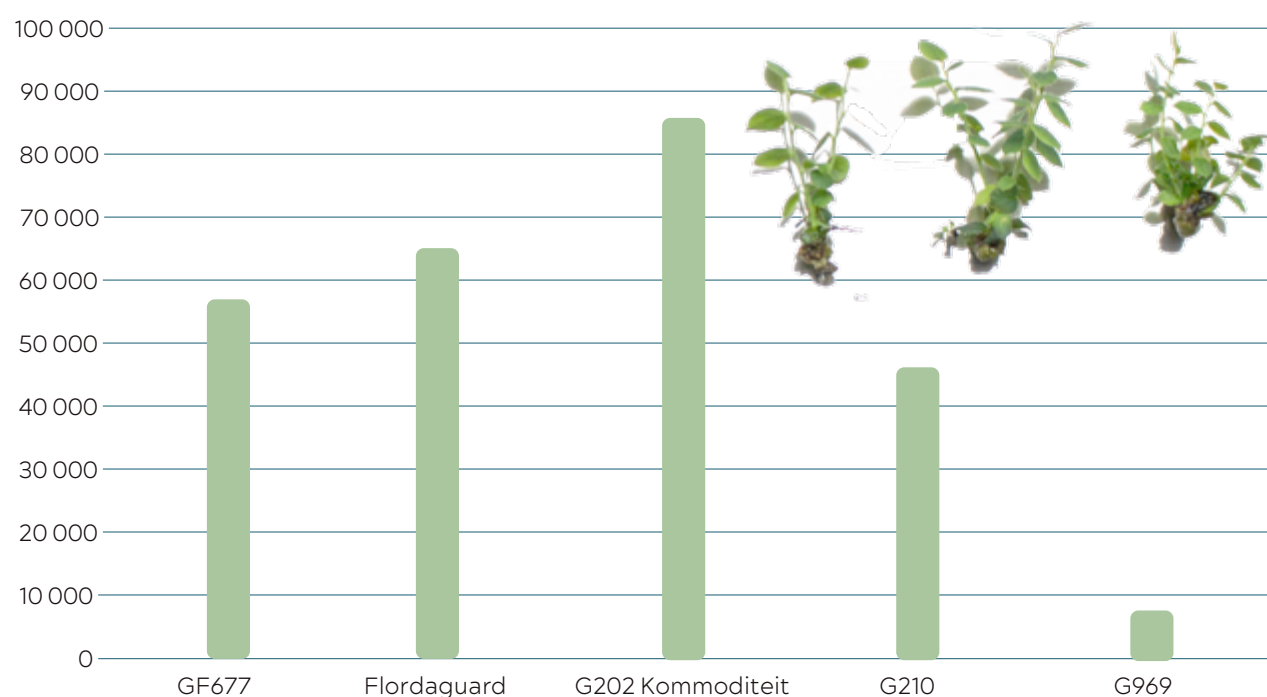
Charmaine Stander | LABORATORIUMBESTUURDER

Die afgelope jaar het die Tissue Culture Facility (Edms) Bpk. (TCF) sy eerste kommersiële produksiejaar beleef. Baie van die laboratorium-sowel as tonnelprosesse moes derhalwe opgradeer word. Die teiken van 250 000 plante vanaf die laboratorium na die buite-tonnels is behaal. Daar was onder andere gefokus op twee appel-onderstamme naamlik G202 en G210 en twee steenvrug-onderstamme naamlik GF677 en Flordaguard. Die hoeveelhede van elk is in Grafiek 1 opgesom.

Daar is ook kleiner hoeveelhede van die volgende onderstamme geproduseer en afgehard: Viking, Atlas, Cadaman, G213, G778, G890, B10, M9-N29. Die eerste bloubessie-plante is ook afgehard.

Die kwarantynfasiliteit is in gebruik geneem en die eerste materiaal vir verskillende kliënte is vermeerder en afgehard. Aksies is tans aan die gang om die kwarantynfasiliteite verder uit te brei.

Charmaine Stander (plantweefselkultuur-laboratoriumbestuurder) en Sané van Wyk (laboratorium-opsigter) het 'n geleentheid gehad om Sierra Gold-kwekerye in die VSA te besoek. Die doel van hierdie besoek was om inligting en sisteme te bekom vir groter produksielewering. 'n Opvolgbesoek vir die tonnel/kwekery-bestuurder (Leander Gagiano) word vir 2023 beplan. Die same-werkingssooreenkoms met die bekende John Driver van die VSA is vir die komende jaar verleng.



Grafiek 1: Laboratoriumproduksie 2022: Groter volumes



Hortfin

Michael Brinkhuis | CEO

The expectation that life would quickly return to normal after Covid-19 did not occur as fast as many hoped for. Many businesses showed their fighting spirit though and started returning to operations immediately after the major restrictions were lifted. Gradually one could see business activities gaining momentum and the economy embarking on its way to recovery.

Die direkte impak van die Covid-19-beperkings op Hortfin was oorwegend op projek-implementering. A.g.v. die verbod op byeenkomste van groepe mense, kon die projekte nie ten volle hul seisoenale personeel aanstel om hul boerdery-aktiwiteite, wat grondvoorbereiding, aanplanting, snoei, ens. insluit, te behartig nie. Die uiteindelijke resultaat was dat die werkskeppingsgetalle vir die periode nie kon realiseer nie. Daar was ook op drie van die vyf projekte gevalle waar sleutelpersoneel van die

besighede Covid-19 opgedoen het en in een geval selfs gehospitaliseer moes word.

The situation led the industry to earnestly seek an alternative funding partner to secure the successful implementation of the Hortfin programme.

This period also brought to the fore various challenges being experienced by the Land Bank. Albeit an internal matter that was related to Land Bank's obligations to its lenders and the fact that our agriculture fund was a ring-fenced programme in their system, the impact on the bank's internal operations severely hampered and affected their ability to effectively service the Hortfin programme. This caused a slowdown in the momentum of approvals and disbursements but essentially placed the programme at risk. The situation led the industry to earnestly





seek an alternative funding partner to secure the successful implementation of the Hortfin programme.

Efforts culminated in the signing of an agreement between Hortfin and FNB in December 2021. This agreement confirmed FNB as a co-financier to Hortfin transactions, and effectively replacing the need for the Land Bank's financial contribution. With renewed energy the 2022 year saw several transactions being processed through this partnership and the efficiency and responsiveness are yielding results.

Die Hortfin-portefeulje van projekte word tans onderskei tussen 'n Landbank-portefeulje wat bestaan uit vyf transaksies en wat tafeldruif-, kern- en steenvrugbesighede en 'n vrugteboomkwekery met 'n totale waarde van R114 miljoen insluit, en tweedens 'n FNB-portefeulje wat tot dusver bestaan uit ses transaksies wat tafeldruif-, kern- en steenvrugbesighede en vrugverpakkingskoelkamers met 'n totale waarde van R80 miljoen insluit.

Projects are generally on track with their implementation although the past season's challenges in the markets have significantly impacted on the businesses' revenue and financial position. Hortfin maintain a strict monitoring and evaluation programme to regularly engage with the businesses and facilitate interventions to address challenges as they are identified.

Hortfin was afforded an extension from the Jobs Fund for a further four quarters for the implementation of the programme. This is welcomed and provides space to pursue the catch-up plan. The Jobs Fund also attended a recent re-launch of the fund where Hortfin and FNB announced the new partnership and positively commented on the new momentum that are being build and expressed appreciation for the industry's efforts to playing a meaningful role in transforming the industry, creating new jobs, and establishing sustainable businesses that contribute to the economy.



Vrugtewerkersontwikkelingstrust

Wimpie Paulse | VOORSITTER

Die Vrugtewerkersontwikkelingstrust (Fruit Workers' Development Trust/FWDT) kan met groot dankbaarheid terugkyk op die afgelope 12 maande, ten spyte van baie uitdagings in die landboubedryf, maar ook in die breër samelewing. Die mense van die vrugtebedryf bly ons grootste bate en ons glo die trust het weereens 'n positiewe bydrae tot die welstand van ons mense gemaak.

Die FWDT het ten doel om die lewenskwaliteit van sy begunstigdes te verbeter deur onder andere opleiding en ad hoc kontantbewilligings. Die fokus was vanjaar op die aanbieding van 'n "gender-based violence" (geslagsgebaseerde geweld)-opleiding in samewerking met Procare.

Die program is aan 916 deelnemers gedurende 32 opleidingsessies aangebied. Die terugvoer was oorweldigend positief en verdere uitbreiding hiervan om ook middelmisbruik (alkohol/dwelms en gevolglieke geweld) aan te spreek, word tans oorweeg.

Die trust kon ook in hierdie jaar weer 'n dividend aan die begunstigdes verklaar, danksy uitstekende beleggingsadvies gelewer deur Agrifusion.

Die trustees wil graag dank uitspreek aan ons administratiewe vennoot Hortgro wat verseker dat alles op 'n finansiële en administratiewe front seepglad verloop. Ek as voorsitter bedank ook graag my mede-trustees Anton Rabe, dr. Konanani Liphadzi en Dora Ndaba vir hulle onbaatsugtige raad en ondersteuning.

Die uitdaging van sosiaalmaatskaplike opheffing en om die lewenskwaliteit van mense te verbeter is nie 'n maklike taak nie. Maar FWDT sien kans vir die uitdaging en sien boonop uit na 'n toekoms waar ons 'n daadwerklike verskil in mense se lewens kan maak!

Die FWDT het ten doel om die lewenskwaliteit van sy begunstigdes te verbeter deur onder andere opleiding en ad hoc kontantbewilligings.



Deciduous Fruit Industry Development Trust

Nicholas Dicey | CHAIRPERSON

The Deciduous Fruit Industry Development Trust (DFIDT) is entrusted to manage funds that remained after the liquidation of the Deciduous Fruit Board at the time of deregulation of the industry in 1997. Six trustees, two of which are appointed by Hortgro and four who are ministerial appointees from the minister of the Department of Agriculture, Land Reform and Rural Development (DALRRD) meet twice annually to discuss and determine how the proceeds of the initial capital contribution is allocated to and utilised for beneficiaries in the deciduous industry.

Previous recipients included applicants for various social programmes in the industry and more recently to bursary applicants. In the past two years the trustees however embarked on a programme of reinvesting the capital amount to grow the fund and to make more meaningful contributions to economic transformation projects in the future. The tactic to grow the capital through prudent investments will continue to be debated by the incoming trustees in 2023 and to unlock returns to have meaningful impact in the deciduous fruit industry at large.

In the past two years the trustees however embarked on a programme of reinvesting the capital amount to grow the fund and to make more meaningful contributions to economic transformation projects in the future.



Alternative Crops



Cape Flora SA

Francois Prins | CHAIRMAN

In many respects the period 2021/22 has been challenging. Rising input and freight costs, limited air cargo space and the on-going load shedding, to name but a few. Lack of support from government and uncertainty created by legislation such as expropriation without compensation, do not create an ideal environment for agriculture. Thankfully challenges also bring opportunities and this was true for CFSA.

We all love a bunch of fresh fynbos flowers in our homes, but we have a responsibility to make sure this resource will also be there for future generations to enjoy.

Die statutêre heffing, wat nou in die tweede jaar van die vierjaarsiklus is, bied steeds 'n stabiele befondsingsbasis. Daar is nou twee navorsingsprojekte in die pyplyn, een oor kwaliteit van kartonne wat gebruik word vir uitvoere, en 'n ander wat kyk na die effek van mikro-elementtoedienings op speldekussings en proteas. Die projekte gaan afskop met CFSA-befondsing, maar die hoop is dat daar in die nabye toekoms wel regeringsfondse beskikbaar gestel sal word, wat dan die CFSA-fondse kan aanvul.

CFSA identified a need to work closer together with Cape Nature to protect our vulnerable fynbos species, but also to ensure a profitable cut-flower industry. The current conservation ordinance in our view

unreasonably regulates cultivated cut-flower production and marketing. Negotiations are underway to look at streamlining the permit process and to support Cape Nature with information from industry to focus their efforts where it is most needed. We all love a bunch of fresh fynbos flowers in our homes, but we have a responsibility to make sure this resource will also be there for future generations to enjoy.

Die bedryf stap nou al 'n paar jaar 'n pad met verskeie opkomende fynbos-produsente. Gedurende Julie 2022 is 'n baie suksesvolle opleidingsessie in die Suid-Kaap aangebied, wat op spanleiers en basiese produksiebeginsels gefokus het. Die CFSA-transformasieprogram skenk ook aandag aan produsente se individuele behoeftes en pasgemaakte hulp word sover moontlik verleen. Die groot belonging is om produsente se besighede te sien groei.

A very successful international protea conference was held in The Canary Islands during March 2022, the first physical conference since COVID-19 started. International networks were built and strengthened, and we look forward to the next conference in California in April 2025.



Pomegranate Association of South Africa

Carnel Geddes | VOORSITTER

Soos enige seisoen in die vrugtebedryf was daar nie 'n tekort aan uitdagings nie! Maar saam met uitdagings kom daar ook vele geleenthede.

Phytosanitary pests such as False Codling Moth (FCM) pose a big risk for the pomegranate industry. We are very happy to report that the Pomegranate FCM Management System which we had devised and implemented five years ago, is proving to be successful. We are grateful for the cooperation of the exporters and producers with the implementation of this system.

The three main varieties of pomegranates planted in South Africa are Wonderful (78%), Herskowitz (7%) and Acco (8%). Wonderful and Angel Red accounts for the newest plantings.

The export volume for 2022 is approximately 15% up from the 2021 season with a total of 1995 705 cartons (3.8kg equivalent) exported. The Middle East remains an important market for South African pomegranates with 57% of the 2022 crop exported to this region, followed by the EU and Russia (13%) and the UK (22%).

Gegewe dat die uitvoervolumes van granate teruggekeer het na normaal, is heffings soos begroot ingevorder en kon POMASA sy werksaamhede voortsit



Finding new markets is a priority. POMASA is continuously discussing market trends with exporters to ensure that we are staying up to date with market demands. POMASA also invested in a market research study to identify top markets to focus market access initiatives. The main drive in the coming year will be to implement recommendations flowing from this study.

POMASA has developed a consumer education pamphlet to focus attention on the excellent internal quality of South African pomegranates and to encourage local sales.

Die registrasieproses van oesbeskermingsprodukte bly steeds 'n uitdaging vir alle gewasse en daarom word daar nou saam met verskeie rolspelers gewerk om die proses meer vaartbelyn te maak.

POMASA is intensief betrokke by die kommersialisering van 'n transformasieprojek in die Oos-Kaap en is trots op die vordering wat gemaak word ondanks verskeie struikelblokke. Die Jakes Gerwel Tegniese Skool in Bonnievale is in een van die grootste granaatproduksieareas in Suid-Afrika geleë en POMASA werk saam met die landbouafdeling om groter bewustheid by leerders rondom granaatverbouing te skep.

Granate het soveel voordelige eienskappe, dis onmoontlik om nie positief oor hierdie produk se toekoms te wees nie!



South African Pecan Nut Producers' Association

André Coetzee | MANAGER

Ons grootste geleentheid is ons grootste risiko.

IDENTIFISERING EN ONTWIKKELING VAN ALTERNATIEWE MARKTE

Meer as 90% van die Suid-Afrikaanse pekanneutproduksie word in-dop teen 'n premieprys na China uitgevoer. Ons het vanjaar 'n mark-onderzoek laat doen waarin alternatiewe markte geïdentifiseer, geassesseer en geprioritiseer is. Die pekanneutmark bestaan uit die Chinese mark vir in-dop pekanneute en al die ander lande wat pekanneutkern gebruik.

Die premie wat die Chinese op die stadium vir in-dopneute betaal, maak dit nie finansiële moontlik om te investeer in kraak-aanlegte sonder om die prys aan die produsente aansienlik te verminder nie.

Wat vanjaar met die macadamia-bedryf gebeur het nadat China sy eie produksie van makadamias drasties verhoog het, is besliste gevaarlike vir SAPPA. Hierdie risiko, in 'n fase van stygende produksie, sal dringend tot voordeel van die bedryf aangespreek moet word.

APPLICATION FOR THE EXTENSION OF STATUTORY MEASURES

The current four-year cycle ends in March 2024, a proposal for the extension was approved at the AGM in Hartswater on 21 October 2022.

This proposal will now be presented to members in all nine SAPPA regions to prove sufficient support.

A roadshow is being planned during November 2022 and February 2023.

PRODUKSIENAVORSING IS STEEDS BAIE BELANGRIK

Aanvanklik is beskikbare fondse sedert die instelling van statutêre maatreëls in 2012 hoofsaaklik aangewend vir produksie-navorsing en die verspreiding van tegniese inligting. Alhoewel ander kernfunksies nou meer aandag geniet, word 'n groot deel van die fondse steeds vir hierdie funksies aangewend.

Huidige navorsingsprojekte sluit onder andere die volgende in:

- Die toets van geregistreerde en nie geregistreerde swamdoders teen 'n reeks swamme om effektiwiteit op pekanneute te bepaal
- Insekmoniterings in verskillende areas en die ontwikkeling van biologiese insek- en swamdoders
- Paklabitrasoltoetse om lootgroei-beperkings en die effek op kwaliteit en opbrengs van neute te bepaal
- Watergebruik van volwasse bome in die Noord-Kaap
- Abnormale afspeen van neut word ondersoek om die oorsake te identifiseer

- Stompkopkewer (polyphagous shot-hole borer beetle/PSHB) se monitoring om die beperking van skade deur goeie boord-bestuurspraktyke te bepaal
- Kultivar-evaluasie en stuifmeelwaarnemings van proefaanplantings.

PROJECTED GROWTH IN PRODUCTION

The projected growth in the industry is best reflected in the tree sales. Considering that pecans take about seven years to start bearing and 12 to 14 years to get to full production, the trees planted in 2010 are only now coming into full production.

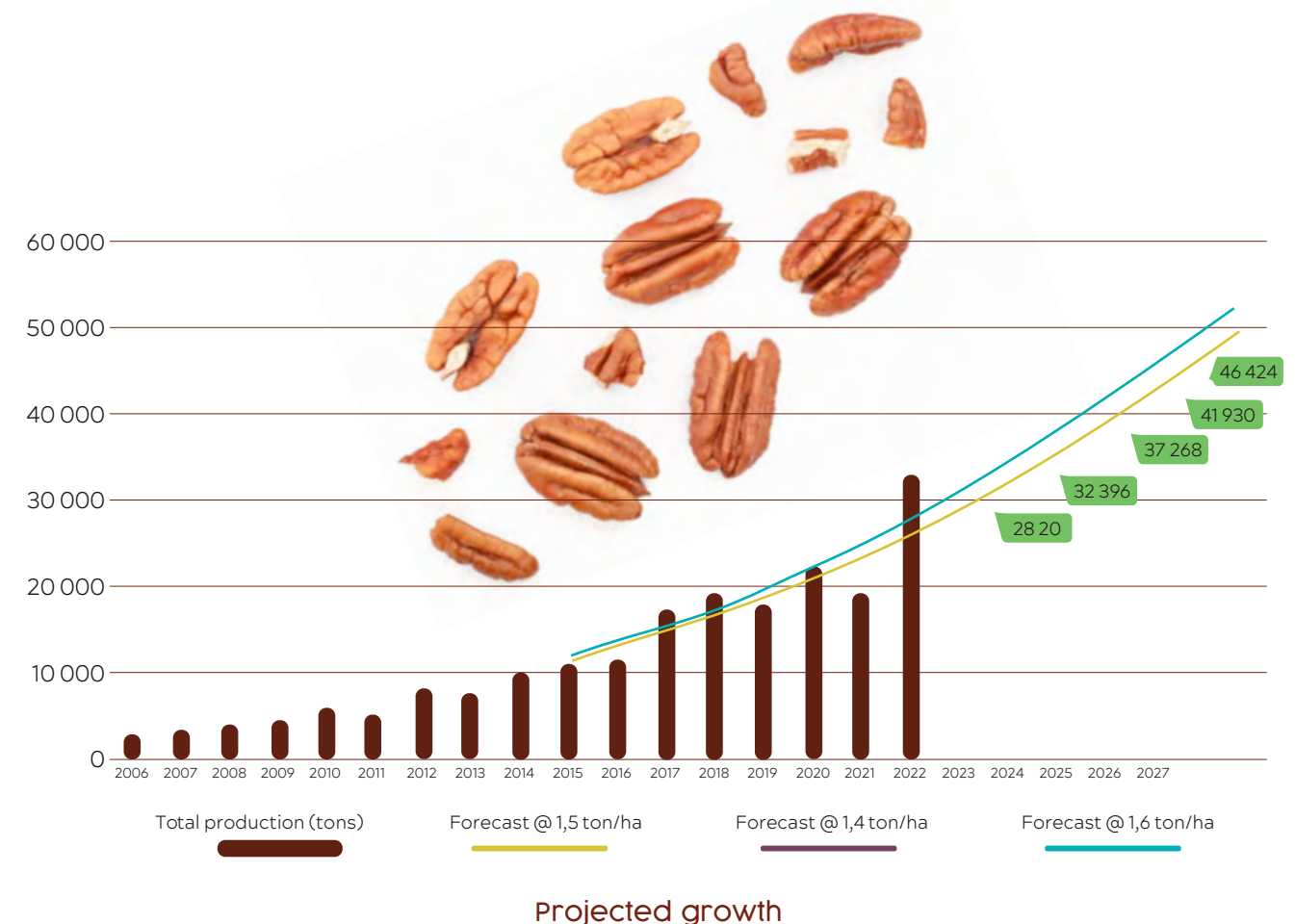
Tree sales increased from 200 000 in 2010 to 580 000 in 2017. Thereafter it decreased to 440 000 in 2021 and 300 000 in 2022.

The “on” and “off” year pattern of pecan production can clearly be seen in the total production from 2006 to 2022 on the graph below.

The projected growth assumes that 60% of tree plantings will become successful orchards. To take the on- and off-years into account, the average production of trees being seven years and older are calculated at 1.4, 1.5, and 1.6 tons per hectare.

Even with the most conservative forecast, production will increase to more than 46 000 tons by 2027.

The trees are planted, and the production will increase. SAPPA will have to ensure that the organisation is structured and equipped to support the growing industry.





South African Fig Producers' Association

Brett Sander | CHAIRPERSON

Just as the South African fig industry took a deep breath with more flights available to overseas markets, the Russians shook up the northern hemisphere with war. This industry is solely dependent on airfreight for exports, and the disruption of flights poses quite a challenge. A total of 336 tons of fresh figs were exported during the 2022 season, which is 10% lower than the previous season.

The fig industry is hopeful that the more favourable weather for production in the Little Karoo production areas this coming season, will help producers although higher input costs make it very difficult for producers to make a profit.

Fig stem borer has been and continues to be a considerable problem for many fig producers. Therefore, a research project, funded by the Alternative Crops Fund of the

Western Cape Department of Agriculture was done during the past season to find possible control measures. Some of the measures show promising results, but further work needs to be done to confirm the results.

The need to grow supply and demand is key to strengthening SA figs' marketability. The developed markets in the EU and Far East have been reliable but underserved compared to pre-Covid-19 export figures. The ability to rebuild these and further retail markets in these regions is crucial. This should be coupled with a coordinated study to target new and developing markets.

FIG TRENDS

- South Africa exported an estimated 336 tons of figs in the 2021/22 season, which is 10% less than the previous season
- 213 ha commercial fig plantings
- UK and Far East are main export destinations with development in the EU and Middle East.



Hortgro in Pictures



Hortgro Chairperson Nicholas Dicey opening the Deciduous Fruit Industry Transformation Awards in March 2022.



Grabouw Afriwu shop stewards with Secretary-General, Gafieldien Benjamin, on the far right.



Bursary function 2022: Hortgro Executive Director Anton Rabe, Dr Ivan Meyer (Western Cape MEC Agriculture), Lindy Sigonyela, Hortgro Communications, and Nicholas Dicey, Hortgro Pome Chairperson.



Hortgro Group Operational Manager Mariette Kotzé was a guest at Nation in Conversation, Cape Nampo, with producer Heinie du Toit and Dr Kandas Cloete.



Team Hortgro at the Cabinet Meets Agri event at Cape Nampo with André Smit, Mariette Kotzé, Western Cape Premier Alan Winde, and Nicholas Dicey.



Hortgro Bursary Function 2022 from left Portia Solomon, Miche Kotze, Ashlee du Toit, Astrid Arendse, Anika Engelbrecht, Asanda Ganjana and Simakele Duka.



Cathleen Sas (second from left) received the Deciduous Fruit Transformation Award in the category for women and youth. From left Nicholas Dicey, Sas, DALRRD Minister Thoko Didiza and DFDC Chair Ismail Motala.



Dibesho Serage (second left) wins the Deciduous Fruit Transformation Award for leadership in Limpopo. From left, Nicholas Dicey, Serage, DALRRD Minister Thoko Didiza, Ismail Motala.



PSHB Field Day at Lourensford with Prof Francois Roets, Dr Minette Karsten and Matthew Addison, Hortgro Science Crop Protection Manager.



Hortgro Technical Symposium 2022 Tanja Hichert, Dr Ilse Trautmann and Prof Thuli Madonsela.



Tasting fruit at Oak Valley, Grabouw.



Hortgro Technical Symposium stone fruit panel discussion. From left Pietman Wessels, André Smit, Jacques du Preez, Marno van der Westhuizen, Annelie Haumann, Hubert le Clerq, Karin van Rensburg.



Partnerships! Hortgro General Manager Louis van Zyl and Dr Mogale Sebopetsa, HOD Western Cape Department of Agriculture.



Hortgro was op kykNET se Meer as Grond. Hier is Hortgro se uitvoerende direkteur Anton Rabe by die programaanbieder, Lynette Francis-Puren.



Ronel van Zyl Bergendal deciduous fruit producer near Citrusdal.



Ivan Janse van Rensburg and Neville van Buuren discussing cover crops at an Oak Valley field day.



Hortgro Technical Symposium. From left at the back Hendrik Pohl, Daan Brink, Ian Cunningham, Matthew Addison, Keith Bradley. In front Calla du Toit, Wiehann Steyn, Prof Lee Kalscits.



Mishkaat Anderson, newly appointed General Manager of Culdevco.



Hortgro Technical Symposium pome-fruits field day with Piet Nieuwoudt and Mico Stander.



From left to right the directors of Crispy Investments - Leon Baartman, June Jantjies, Nickey Baron, Junette Vegotine, Kallie Jantjies (back) Mariaan van Rooi, Donovan de Klerk, Hennie Blaaw.



Double excellence. In April 2022 Dr Mono Mashaba and Prof Karen Theron received the 1662 Industry Award for exceptional service to the industry.



The Jacobs Jam power-duo Christynn and Nigel Jacobs.



Sam Sieberhagen, Koo Valley apricot producer



Pierre Burger Koo Valley apricot producer.



Mentorskapprogram: Frikkie Jacobs (mentor van Bo-Radyn), Johann Coetzee (2018 intern), Gerswin Hill (2019 intern), Sive Hobe (2020 intern), Grant Tuties (2022 intern), Vinod Swartz (2023 intern), en Lona Odendaal (mentor).



In Julie 2022 het 'n Hortgro-span bymekaar gekom vir 'n strategiese bosberaad.



The Agri's Got Talent 2021 Top Ten contestants.



Faith Nogemane, Agri's Got Talent 2021 winner.



Something to smile about ... South African pears are going to China. Hortgro's Market and Trade Manager Jacques du Preez.



A&B Williams Bros. A Grabouw packhouse and powerful transformation initiative.

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HORTGRO CHERRIES ZA**



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