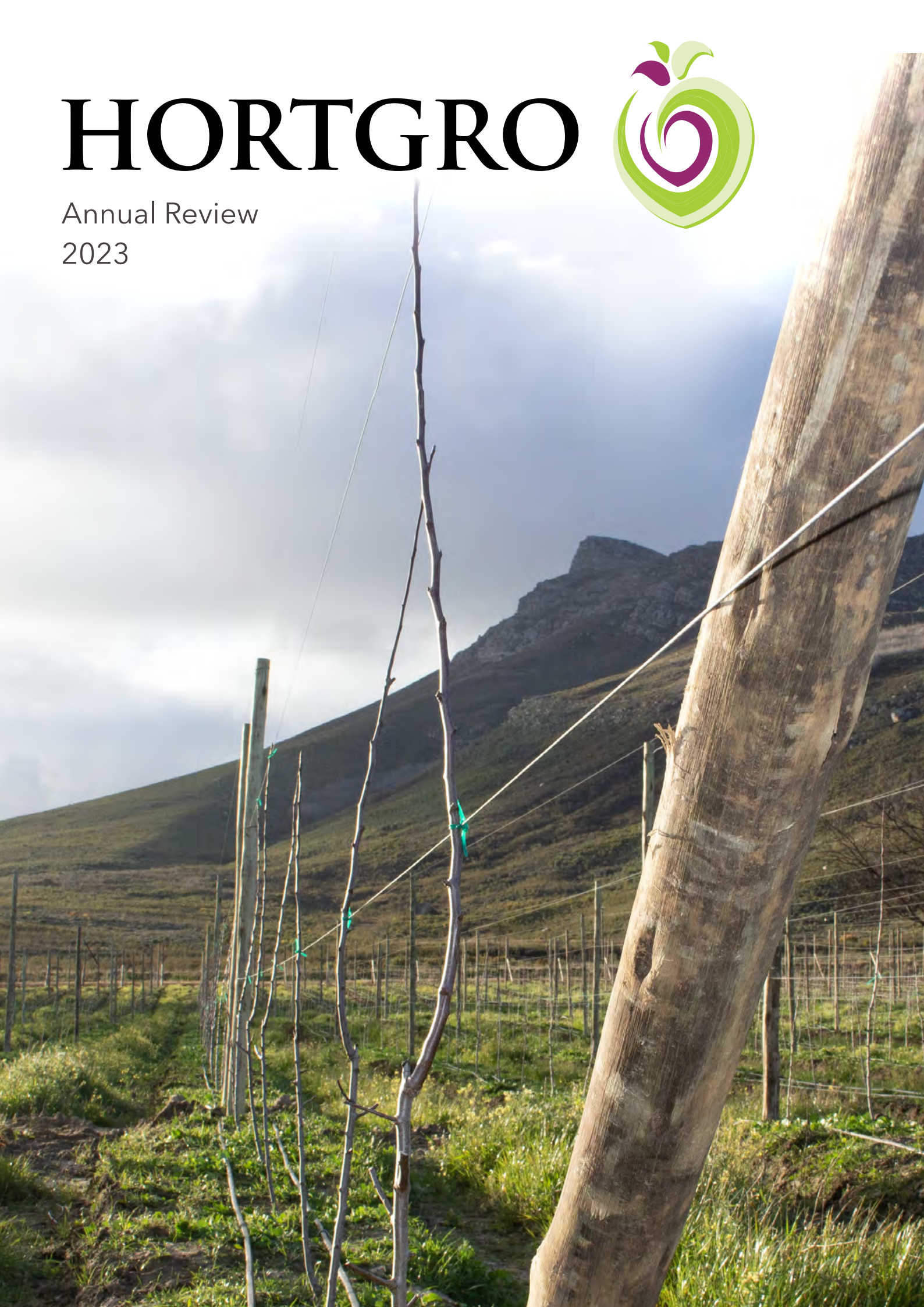


HORTGRO



Annual Review
2023





Hortgro's purpose
and vision is to:

inspire inclusive growth through
creating an enabling environment
for the Deciduous Fruit Industry.

Content

Hortgro Mission	6
Our Leaders Board of Directors	7
Chapter 1 General Review	8
General Review Anton Rabe EXECUTIVE DIRECTOR	
Chapter 2 Principle Members	10
Hortgro Pome Chairman’s Report Nicholas Dicey HORTGRO POME CHAIRMAN	
Hortgro Stone Chairman’s Report André Smit HORTGRO STONE CHAIRMAN	12
Chapter 3 Hortgro Services	14
Management Services Louis van Zyl HORTGRO GENERAL MANAGER	
Human Resources Astrid Arendse MANAGER	15
Learning and Development Astrid Arendse MANAGER	16
Communications Elise-Marie Steenkamp GROUP COMMUNICATIONS MANAGER	19
Trade and Markets Jacques du Preez GENERAL MANAGER: TRADE AND MARKETS	22
Information and Market Intelligence Mariette Kotzé GROUP OPERATIONS MANAGER	24
Hortgro Economic Development Cynthia Mahlathi MANAGER	26
Hortgro Science Wiehann Steyn GENERAL MANAGER	29
Hortgro Technical Hugh Campbell GENERAL MANAGER	32
Plant Material Management Hugh Campbell PLANT MATERIAL MANAGER	
Hortgro CherriesZA Arno Marais CHAIRPERSON	34
Hortgro Dried Tree Fruit Ben Kotzé VOORSITTER	36
Chapter 4 Industry Service Entities	37
Deciduous Fruit Industry Development Trust Nicholas Dicey CHAIRPERSON	
Vrugtewerkersontwikkelingstrust Wimpie Paulse VOORSITTER	47
SAPO Trust Jacques Jordaan ACTING CEO	38
FruitFly Africa Ghian du Toit MANAGER	40
Culdevco (Pty) Ltd Mishkaat Anderson GENERAL MANAGER	42
Sagtevrugteplantverbeteringsvereniging Rachel Kriel BESTUURDER PLANTSA	44
Hortfin Michael Brinkhuis CHIEF EXECUTIVE OFFICER	46
Tissue Culture Facility Charmaine Stander LABORATORIUMBESTUURDER	48
Hortgro in Pictures	49
Contacts	52

Aangesien dit weens koste en spasiebeperkings nie moontlik is om die verslag in beide die twee hoof bedryfstale (Afrikaans en Engels) te publiseer nie, het ons probeer om die verslag sover as moontlik tussen die twee hoof bedryfstale, 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 sal verstaan dat ons nie alles kan dupliseer nie.

Due to costs 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 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.



Hortgro Mission

To facilitate a fair, sustainable and competitive deciduous fruit industry through focusing on:

Scientific Research and Development, and Associated Technology Transfer

- Crop Production
- Crop Protection
- Post-harvest
- Scientific Support to Market Access/Protocols
- Plant Material Management (PMM)
 - Plant Improvement
 - Independent Evaluation
 - Genetic Material Acquisition and Development
- Resource Management and Sustainability.

Industry Support Services:

- Financial Management, Administration and Secretarial Services
- Human Resource Management
- Communication and Industry Representation.

Trade and Market Access to Gain, Retain and Optimise (GRO) Markets

- Trade Development
- Logistics and Infrastructure
- Gatekeeper of: Industry Information and Market Intelligence; Discipline and protect through protocols, regulations, market compliance (food safety, quality and ethical and environmental concerns) and self-regulation.

Stakeholder/Government Engagement, Influencing and Collaboration:

- Transformation and Black Economic Empowerment/ Land Reform
- Socio-economic Development
- Industry Learning and Development
- Unified Voice of the Industry.

Our Leaders Board of Directors

André Smit
Hortgro Stone Director

Angelo Petersen
Independent Director

Unati Speirs
Independent Director

Nicholas Dicey
Chairperson and
Hortgro Pome Director

Anton Rabe
Executive Director



General Review

Anton Rabe | EXECUTIVE DIRECTOR



Severe weather-related incidents – in fact, torrential rains, and floods in November/December 2022, followed by violent winter storms caused by cut-off layers in June/July 2023 in the western part of the country, and unprecedented waves along the coastline – caused extensive damage to orchards and related production infrastructure.

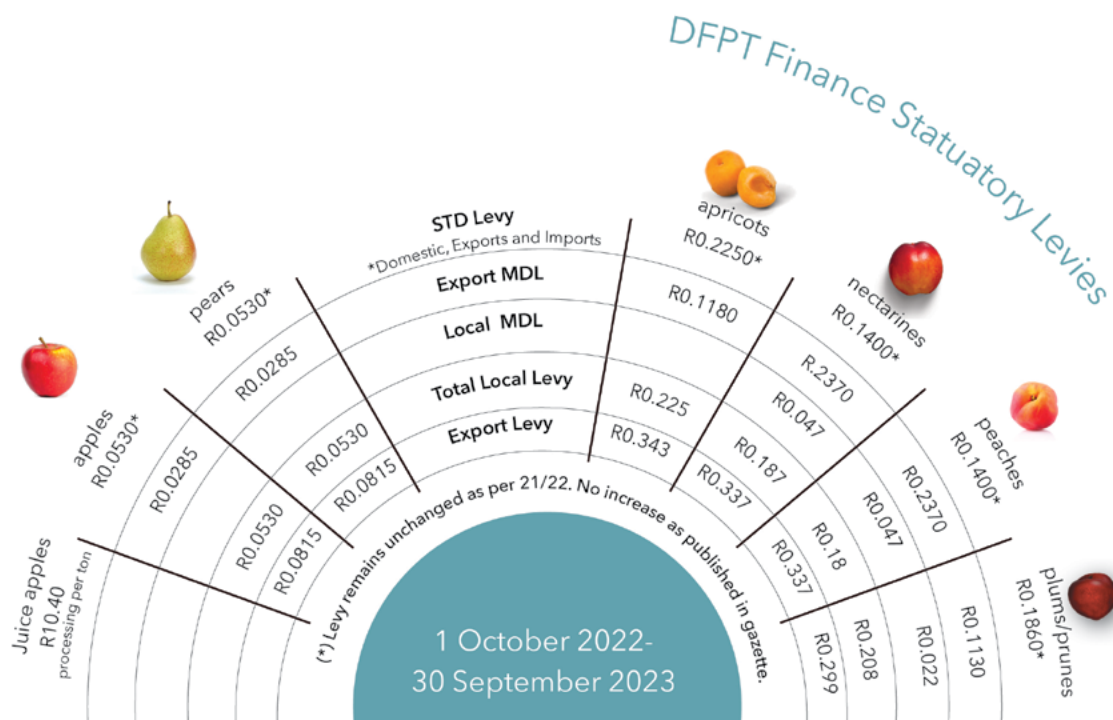
But with a positive outlook and a buoyant industry given full dams and an early, cold winter with good chill units we had a very positive outlook to the 2023/24-season.

Then bang! Another cut-off layer with further rain, followed by floods washing away bridges and roads, breaking dams, more damage to orchards and netting structures, irrigation equipment and pumps, and even losses of life are causing some

real production challenges for the ensuing season.

These, now three in 100-year events, linked to continued port challenges, high input costs, interest rates and very volatile exchange rates, will no doubt define the past year as it will have a knock-on effect for the next year and possibly years.

Globally, climatologists are starting to talk about climate chaos. Mankind have clearly angered Mother Nature and we will have to focus more on sustainability relating to the three P's – People, Planet and Profits – within the context of environment, social and governance (ESG). We also have to ensure that fixing of the damage to infrastructure, riverbanks and dams are constructed in such a way that further events of this nature can pro-actively withstand the forces of nature. No short cuts!



Public service delivery is less than satisfactory, especially relating to energy, safety, health, and water which continue to implode at an alarming rate. The expected political instability (and opportunism in the run-up to the 2024 elections) requires us to do more and more ourselves, both as an industry collective and as individuals. Linked to renewed global trade protectionism and related restrictions and compliance requirements, we need to think and do differently in this “VUCA” (volatile, uncertain, complex and ambiguous) environment.

At the time of writing the new four-year statutory measures and pome/stone fruit levy-cycle have been promulgated and will provide vital stability to essential industry services and functions which is comprehensively reported on further in this report. This foundation will unlock other funding (grants and user-pay services) sources for key functions and programmes. Suffice to reconfirm that such activities are based on a sound strategic framework setting out the 10 industry programmes and key deliverables identified to ensure an enabling industry environment with relevant and impact driven initiatives.

Hortgro sal voortgaan om met gelykdenkende organisasies en strukture saam te werk, terwyl daar in ag gehou word dat ons nie alles vir almal kan wees nie. Die uitgangspunt en fokus is op dié kwessies waaroor ons saamstem, eerder as om tyd, hulpbronne en energie te vermors op kwessies wat verdeel. Opportunisme ten koste van die groter geheel sal nie geduld word nie.

Hortgro is besig met die regte goed. Feite en bevestigde statistiek bewys dat ons as bedryf met betrekking tot grondhervorming, ekonomiese ontwikkeling en oordrag van vaardighede, 'n verskil in ons bedryf se waardeketting maak; en sal voortgaan om te maak.

Hortgro ondersteun FruitSA se strategie om weerstand te bied teen die handel se

voortgesette geneigdheid om hulself met klein, kosmetiese en soms onsinne (my woorde) vereistes te wil differensieer. Hierdie stap – in reaksie op handel wat nie die koste en implikasies op plaasvlak, op werkers en landelike gemeenskappe in ag neem nie – is in die regte rigting.

Benewens die gebruiklike administrasie en aanwending van bedryfsheffings, soos deurlopend aan die verskillende direksies, produsenterade, werk- en fokusgroepe aan verslag gedoen word, het Hortgro weereens verskillende toelaes en gebruikerbetaaldienste 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 wingerd-bedrywe (tafel- en droogdruie) insluit, word dit in doelgerigte entiteite soos SAPO, Culdevco, FruitFly Africa, Tissue Culture Facility en die *SA Vrugtejoernaal* hanteer en uitgevoer. Elkeen van die entiteite het hulle eie direksies en verantwoordbare bestuur en personeel. Terugvoer oor van hierdie entiteite word in hierdie verslag vervat.



Hortgro Pome Chairman's Report

Nicholas Dicey | HORTGRO POME CHAIRMAN

The 2022/23 apple and pear season will be remembered with mixed feelings on all fronts and one where challenging production and logistics environments prevailed in what was a mostly satisfying and positive global market.

Unfavourable climatic conditions during the early stages of the season led to widespread hail in some of the major production regions and the negative impact was very noticeable in apple and pear export volumes from South Africa.

High input costs continued to put pressure on producers but thankfully easing of the exorbitant shipping cost experienced during the 2021/22 season brought some much-needed cost relief.

During the year the Hortgro management, Hortgro Pome Board and Pome Producer Council (PPC) members, met with producers in the various production regions to highlight the activities performed by the industry body through its 10 strategic focus areas.

Positive feedback was received from producers on these focus areas with robust and constructive interaction taking place during these roadshows. The 10 strategic focus areas formed the backbone of the application for the new statutory levy application made to and subsequently approved by the National Agriculture Marketing Council (NAMC) for the next four-year cycle, which started in October 2023.

In the September 2023 PPC meeting, the budget for the next year was presented and approved by the Council with a large proportion of the expenses being allocated to the scientific research and development and associated technology-transfer programmes.

Other programmes that were approved, were the trade and market access (including trade development, logistics, and infrastructure) programme, the transformation and economic development programmes, finance and administration, human resources management, industry information and market intelligence, with the communication programme forming the balance of the focus areas.

Market access, and the development and retention of markets, remain key drivers for a successful and growing pome industry. Tremendous effort and attention are put into these activities by the board and personnel at Hortgro Pome.

Bi-annual meetings are held with the trade and market advisory committee – comprising of industry representatives and experts in the commercial marketing sector – to calibrate management on trade related needs and challenges. Potential new markets and strategies to penetrate and access them are identified and targeted for collective industry action. In cases where restrictions are placed on existing markets due to non-conformances, as was the case during the past year, plans are hatched and implemented to reopen such markets quickly and with



the least negative economic effect as possible on the industry.

On a positive note, and after many years in the making, the export protocol for pears to China was approved and signed by the Department of Agriculture, Land Reform and Rural Development (DALRRD) and its Chinese counterpart in 2023. The co-operation between the industry and DALRRD officials is vital to ensure that all requirements are being met in opening markets for apples and pears. The opening of the Chinese market will have a positive and far-reaching effect on the pear industry in years to come.

The pressure on infrastructure and in particular the limited availability of electricity and subsequent load shedding, once again played havoc during the season and forced the whole industry to invest in alternate forms of energy while adding exorbitant additional costs in running these in the form of diesel.

These additional costs added to the ongoing cost-squeeze being experienced by producers and had a definite effect on the bottom line of all businesses and the recent slow-down of new and replacement plantings.

Inefficiencies and pressure on logistics and particularly the ports also put tremendous pressure on the industry to deliver world class produce to international customers. Hortgro invested a tremendous amount of energy and resources in trying to mitigate this dilemma. Interactions and interventions between Hortgro and the port authorities were the order of the day and I believe that positive progress will steadily be made on this front. Ultimately, Private Sector Participation (PSP), to re-capitalise and operate ports, is the only way forward.

The Hortgro Pome Board has been very sensitive to the increasing cost-squeeze experienced by

producers and although additional market/trade research and administered demands have been placed on the industry, the increase in levies have been kept below inflation during the last couple of years without compromising the outputs that are expected from our industry body. To ensure competitiveness in the global apple and pear market the industry body needs to do everything in its power to create an enabling environment to ensure that local producers operate in an as level playing field as possible.

The challenges that we as pome producers face daily at times feel never ending and new ones are posed to us time and again. This includes climate change and related sustainability and compliance challenges relating to an ever-increasing and broadening agenda.

We need to ensure that as agriculturists we have the means and drive to stand up to address these challenges and find ways to overcome them. The Hortgro Pome Board, Pome Producer Council, management, and staff recognise the challenging environment that apple and pear producers operate in and are dedicated and committed in addressing these challenges.

I would like to commend and thank all of them for their leadership, dedication, time and effort during the year in addressing a myriad of complicated issues and red tape in ensuring the smooth operations of our farming businesses and in creating the enabling environment for us producers to thrive in.

Finally, on the eve of the 2024 season, I would like to wish all role players a fruitful and blessed year ahead and may the apple and pear industry continue to play the significant role both economically and socially that it is renowned for locally and internationally.



Hortgro Stone Chairman's Report

André Smit | HORTGRO STONE CHAIRMAN

The 2022/23 stone fruit season commenced whilst the global economy was grappling with significant challenges, including consumer spending constraints due to high inflation, high interest rates, elevated energy and input costs and a challenging logistical outlook. Despite this, SA producers looked forward to a much-improved service from South Africa to its clients across the globe with the focus on providing superior eating quality fruit to wow and delight customers and encourage them to repeat purchases.

Unfortunately, it did not quite turn out that way. Volumes were down on plums, which led to a good balance between demand and supply with receptive markets, relatively good prices, and less quality claims. The weakening of the rand exchange rate also supported prices in the latter half of the season. But logistics, especially the port of Cape Town, failed us yet again, albeit that things were somewhat better than the previous year.

The continued challenges of productivity due to the lack of adequate and serviceable equipment, given continued breakdown and the resultant poor flow of product through the port of Cape Town is possibly the single biggest risk and threat to the future of our industry. Although discussions are ongoing with the Transnet management at both strategic and operational levels, the only feasible solution is some public-private arrangement to ensure the recapitalisation of new equipment. The wind in the port is a given and can in no way be an excuse to continually stop operations!

Global shipping rates, specifically for dry

containers, were lower, but the rate for reefer containers remained high. It is trusted that some normality will continue to return to the global shipping regime in the ensuing seasons.

The continued proliferation of trade compliance requirements is becoming a real threat for the continued profitability of our industry. This relates to ethical, environmental, and food safety requirements which sometimes don't add value but huge costs at the expense of producers, workers, and rural communities. Essentially, what growers are advocating for is a fair and just return to secure the livelihoods of those reliant on the industry's value chain.

The impact of load shedding on irrigation, cooling and packing have also been a huge challenge but the industry has yet again proven its resilience with making plans, albeit at great costs with the purchasing of generators and the related diesel costs which had a direct impact on the profitability of the industry. Unfortunately, there will be some casualties amongst our grower base who simply cannot financially survive or absorb the current conditions. Some consolidation in the supply base is therefor expected.

The prevalence of fruit fly and false codling moth have been high this past year and the industry's self-policing system have been upgraded for the ensuing season. It is vital that producers, packers and exporters diligently follow the protocols to mitigate the trade risks.

There are still opportunities to increase demand/consumption on the local market. We are therefore looking forward to a constructive

outcome of the Section 7 process through the National Agricultural Marketing Council (NAMC) to introduce a consumer education campaign to encourage the use of fresh fruit and vegetables.

In the winter of 2023, we were blessed with good rains in all the production areas accompanied with very good winter chill accumulation. This resulted in an above normal flowering intensity. Unfortunately, it was followed by an unusually wet, cold and windy spring. The result is a lighter than normal plum crop for the coming season. This, however, should support fruit prices for the coming season.

Apricots

The apricot volumes were similar in 2022/23 at 593 000 to the previous year's 595 478 cartons. More than half (54%) of the exports have gone to the Middle East, with the remainder split between Europe (23%) and the UK (22%).

Nectarines

Nectarines were down from 2021/22 by 6% to around 7,7 million cartons but is expected to grow in the coming season to 9 million cartons. The UK remains the main market at 47% of shipments followed by Europe at 33%. Volumes to the Middle East represented only 13% of exports.

Peaches

Peaches for export has been stable for the last three years at between 2.2 million to 2.5 million cartons for export. The UK and Middle East were the main markets at 41% and 38% respectively of exports followed by Europe at 14%.

Plums

The plum crop was down from 15.7 million in 2020/21 to 13.6 million (-13%) this past season.

This supported the prices in a relatively empty stone fruit market. Europe was the main market at 47% of shipments followed by the Middle East on 19% and the UK account for 18%.

Cherries

Cherries experienced a new record export season with an increase of 36% against the record of the previous season. The UK, the Middle East and Far East and Asia represent over 90% of the export destinations.

It is a pleasure to serve as chairman for another season and I would also like to use this opportunity to thank my fellow board members, producer council, stone fruit producers and all industry stakeholders for their contribution and support at various levels. Also, a special word of thanks to our growers for supporting our industry organisation, Hortgro, with your levies in challenging times.

To the Hortgro personnel (Anton and his team), we as growers would also like to extend our gratitude to a job well done as our industry body of choice. Well done to you all.

A blessed season to all.



Management Services
Louis van Zyl | HORTGRO GENERAL MANAGER



Hortgro continues to provide a range of supporting functions, including financial and administrative services to several horticultural industry structures.

The main entities/clients that Hortgro service are Hortgro Pome, Hortgro Stone (including Hortgro CherriesZA and Hortgro Dried Tree Fruit), FruitFly Africa, Deciduous Fruit Producers’ Trust (DFPT), DFPT Finance NPC, Fruit Workers Development Trust (FWDT), *SA Fruit Journal*, the Deciduous Fruit Industry Development Trust (DFIDT), Culdevco, Hortfin and Tissue Culture Facility.

Hortgro has also been contracted to provide services to a range of entities servicing various alternative crops such as Cape Flora, Pecan Nuts and Pomegranates, several cultivars focus groups such as SA Pink Lady, Greenstar-Kanzi and Forelle, as well as the SA Fruit and Vegetable Canners Association and Sustainable Initiative of SA (SIZA).

Hortgro administers various statutory measures as approved via the National Agricultural Marketing Council (NAMC) in terms of the Agricultural Products Marketing Act and collects statutory levies on behalf of the following organisations: Hortgro Pome, Hortgro Stone, Fruit Fly Africa, Cape Flora SA, Pomegranate Association of SA, and SA Pecan Producers’ Association. Levies are ring-fenced within dedicated accounts for every entity and accounted for to both the NAMC and the Auditor-General.

In addition, Hortgro also invoices and collects payment for various user-pay industry services as provided by some of the entities listed above.

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 Bank Sector such as Land Bank and FNB – better known as Hortfin being a R600 million loan funding project.
- The US Department of Agriculture’s Agriculture, Plant Health Inspection Services (USDA APHIS) for the pre-clearance programmes for citrus and deciduous fruit.
- The Alternative Crops Fund of the Western Cape Department of Agriculture in support of emerging horticultural industries.
- Administratiewe steundienste en -funksies word ook aan die verskillende funksionele departemente binne Hortgro voorsien.

In totaal het Hortgro R320 miljoen+ die afgelope jaar geadministreer.



Human Resources
Astrid Arendse | HUMAN RESOURCES MANAGER



Employees are one of the most important resources for any business. It is important to create opportunities for people, as an asset, to learn and grow. At Hortgro we do this by equipping our team with the right tools and looking after their overall wellbeing.

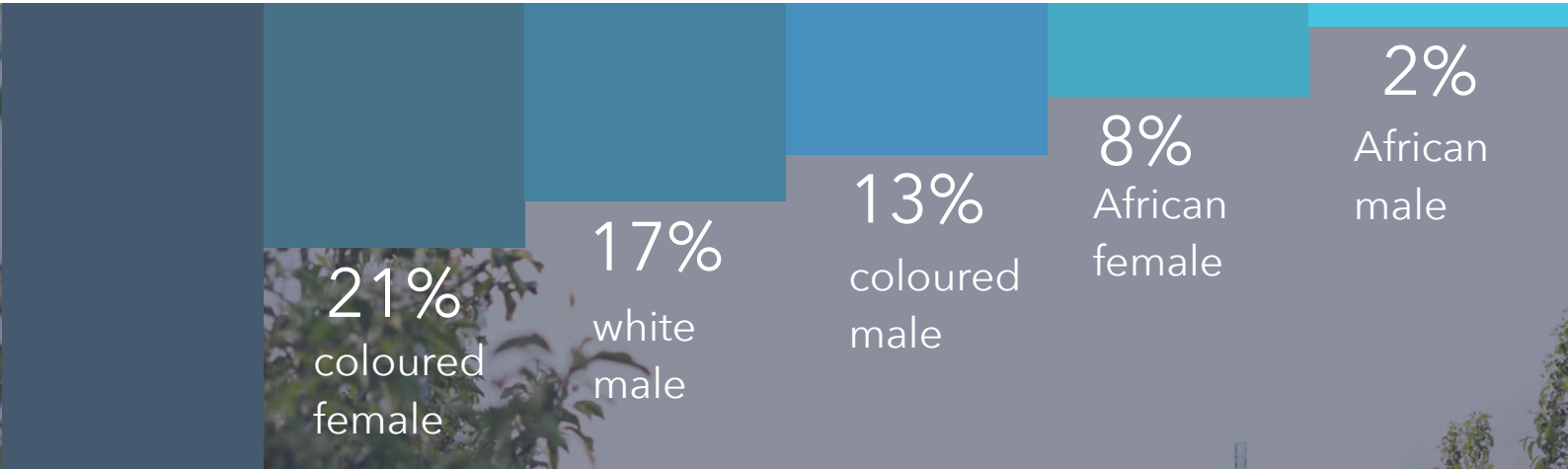
The Human Resources Department sees employee development and employee wellness as

an ongoing HR focus area and we provide support and build in measures to create an environment where employees feel safe, supported, and able to reach their full potential.

Our core function is to effectively develop, establish and maintain HR policies, programmes and procedures that maximise the efficiency of the workforce through various HR functions.

Core HR functions

Recruitment and selection	Employee wellness	Skills development	Compliance to statutory requirements
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Hortgro employee status 2023

Learning and Development Astrid Arendse | MANAGER

Hortgro Learning and Development is focussed on the development of people within the deciduous fruit sector. Our focus is to equip and develop agri-workers and management by identifying the needs within specific areas and positions and addressing these needs through various training and development initiatives. We continuously engage with our stakeholders including producers/employers, agri workers, universities, colleges, training centres and various SETA's (Sector Education and Training Authorities in various industries) to ensure that we stay abreast of the changing needs within our sector.

Bursaries

The Hortgro undergraduate bursary fund has 35 bursary students with a total budget of R1.86 million. These students are enrolled for agricultural qualifications in various institutions including the universities of Stellenbosch, Pretoria, Free State and North-West, Elsenburg and Potchefstroom Colleges of Agriculture, CPUT, Unisa and CTU Training Institution.

Eighteen of these students graduated at the end of 2023, with at least 60% pursuing post graduate studies and the other 40% embarking on a career in agriculture.

Our annual bursary function was held in Stellenbosch with Mr Darryl Jacobs, Deputy Director-General: Agricultural Development and



Support Services at the Western Cape Department of Agriculture, as our keynote speaker.

Mentor- en internskapprogram

Die Hortgro Mentorskapsprogram bestaan tans uit 30 studente wat hul internskappe by verskeie produsente en pakhuisse in Ceres, Paarl, Wellington, George en Stellenbosch 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 hulle tydens hulle kursus geleer het, toe te pas in die praktyk. Die interns skakel ook in by die mentorskapsprogram waar die fokus is om die interns 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 werk, is baie positief en ons is dankbaar vir organisasies wat hul werkplekke oopstel om hierdie jong leerders die geleentheid te gee om te groei en ontwikkel.

Ongeveer 80% van die interns wat die mentorskapsprogram voltooi, word na afloop van hul internskappe permanente posisies aangebied.



Above: Some of the women graduates that received Hortgro bursaries attending the annual Hortgro Bursary Function

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 two-year period to create a pool of potential future industry leaders, stakeholders, and industry representatives.

During year two, the candidates were exposed to Culdevco, Plant Material Management, Tissue Culture as well as an overview of the utilisation of deciduous fruit levies and the industry governance and decision-making structure.

These young leaders completed their formal sessions during 2022 and 2023 and the programme will close with various international study tours where these young leaders will be exposed to industries in the USA, New Zealand, and Australia, as well as the trade in the UK and EU.

Leierskapsontwikkelingsprogram vir produksiebestuurders

Twee groepe junior bestuurders het in 2023 die unieke leierskapsontwikkelingsprogram wat

tussen Mazars en Hortgro met die finansiële ondersteuning van die AgriSETA ontwikkel is, suksesvol voltooi. Die program is ook beskikbaar vir ander tuinbou-bedrywe.

Die doel van die program is om produksiebestuurders in die vrugtebedryf se vaardighede verder te ontwikkel en sodoende produktiwiteit en doeltreffendheid op plaas en in pakhuisse te verbeter. Die program het ook 'n fokus op persoonlike ontwikkeling, bestuurstyl en elke persoon se unieke leierskapsvaardighede. Daar is 'n verdere fokus op netwerkbou en vestig met kollegas in soortgelyke posisies om sodoende 'n blywende netwerk te skep waar produksiebestuurders mekaar kan ondersteun en van mekaar kan leer.

Die eerste groep van 16 leerders het in Junie hul sertifikate ontvang en het bestaan uit produksiebestuurders uit die wynbedryf, geborg deur SA Wine.

Die tweede groep leerders, 17 uit die EGW-streek, het in Oktober hul sertifikate ontvang.



Above: Hortgro 2023 mentorship programme participants with Lona Odendaal

Health and Safety Training

Hortgro contracted Philani Training and Development Solutions to roll out a health and safety training programme in our different production areas. The programme includes First Aid Level 1, Health and Safety Representatives and Safety Committee training.

Since the roll-out of the programme in November 2022, a total of 233 students completed their health and safety training in various areas including Witzenberg, Piketberg, Langkloof, EGV, Boland and Great Karoo (Laingsburg).

QCTO

The Quality Council for Trades and Occupations (QCTO) deadline for 30 June 2024 to register new qualifications remains a challenge for training providers. All learners who plan on completing legacy qualifications must be registered before end June 2024. Hortgro, as part of Fruit SA, is assisting with the development of packhouse manager and packhouse supervisor qualifications.



Above: Josephine Karelse, AGT alumni, is celebrated by her fellow workers from Robertson Winery

Hortgro also assisted with the pilot study of the horticultural foreman occupational qualification facilitated by KBOS. The QCTO visited the project in August for monitoring and evaluation. A total of nine students is enrolled in the 18-month pilot study.

Agri's Got Talent

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

In October 2022, Jasmine Bones, from Witzenberg Properties, won the competition with her exceptional vocal skills. The competition was held at Goudini Spa and was well attended and enjoyed by all stakeholders.

AGT is a beacon of hope and continues to inspire and motivate agri-workers to share and develop their talent. It is a joint venture between Hortgro, SA Wine, SATI, the Citrus Growers Association, and the Western Cape Department of Agriculture.

Communications

Elise-Marie Steenkamp | GROUP COMMUNICATIONS MANAGER



Mense vra dikwels hoe kommunikeer mens in 'n tyd waar mense nie meer lees nie. In kommunikasiewese is dit in elk geval die verkeerde vraag om te vra. Die vraag is eerder hoe kry jy mense se aandag wanneer hul die heelyd oorweldig word met inligting op legio platforms. Die mens se brein het beperkte kapasiteit ... maar moenie vrees nie, want kunsmatige intelligensie is hier om te help, of is dit?

AI, the big disruptor

Worldwide, neuroscientists watch with trepidation as the tempo of technology accelerates at an unprecedented pace. Generative AI that draws from Large Language Models (LLMs) is poised to fundamentally change how we communicate.

AI applications (e.g., ChatGPT) are increasingly used to produce any kind of language, from text messages and social media posts to computer programmes and speeches. One of the most pervasive AI applications to date is "smart replies" suggestions in text-based communication – based on algorithmic responses sent through written emails.

The scientific community has largely ignored the potential social impacts of integrating AI-generated messages into human communication and there is growing concern about its consequences for society.

Reports from the AI Now Institute liken this scenario to "conducting an experiment without

bothering to note the results".

At the same time, South African born Elon Musk and a team of neuroscientists at Neuralink in the USA, are researching the development of brain-computer interfaces; with the long-term goal to achieve "symbiosis with artificial intelligence".

AI is the biggest business shift we must negotiate since computers have become part of our day-to-day function.

Back on Planet SA, specifically Home Port Hortgro, it would be irresponsible to ignore the impact of technology. But we believe our producers know best, and based on regular surveys we direct our communication strategy to their needs and wants. For our producers the top three communication portals are: email (yes, surprise surprise), WhatsApp and face-to-face (events).

Hoogtepunte

Sosiale geleenthede of soos ons sê "kuier" is van die beste plekke om inligting oor te dra of te netwerk. Die afgelope jaar was daar verskeie "kuier" hoogtepunte, waarvan **Agri's Got Talent (AGT)-kompetisie 2022** een was.

Die minister van Landbou in die Wes-Kaap, dr. Ivan Meyer, kon nie uitgepraat raak oor dié sang-kompetisie wat verlede jaar vir die negende jaar gehou en deur Jasmine Bones, van Witzenberg Properties, gewen is. Hortgro, spesifiek, is geprys vir sy verskeie transformasie-inisiatiewe ook

uit ongekende oorde, soos deur mnr. Zolani Mbanjwa, Cosatu Wes-Kaap sekretaris-generaal wat ook AGT bygewoon het.

Kort op die transformasie-hakke van AGT het die bekendstelling van die **Hortfin-FNB-vennootskap** by Klein Joostenberg gevolg. Video is gebruik om die begunstigdes se stories te vertel, wat die menskomponent na vore gebring het. Dit het goed aanklank gevind en impak gemaak.

Vroeg in 2023 het Hortgro 'n **mediadag** gehou waartydens die SA Landbouskrywers en ander joernaliste aan Hortgro se verskillende bedryfsprogramme bekendgestel is. Die media was beïndruk met die passie en toewyding van die sagtevrugte-bedryf en ons het goeie blootstelling gekry en mediabande gebou.

The other big events on our calendar were the **Hortgro Research Showcase** and **Postharvest Symposium**, as well as the **Hortgro Awards** in a new format. Registrations for the Showcase, where stakeholders watch five-minute presentations from the Hortgro Science research cache, surprised us with a mostly full house. The **Hortgro Awards** now focuses on pome and stone industry champions and recognised individuals for outstanding contributions to the industry. It was a good move to bring this event closer to home and we will build on the success and learnings of this year's event.

Other events worth mentioning were:

- **International Pear Symposium** (STIAS, Stellenbosch; January 2023)
- **PHYLA Laboratory Launch** (Welgevallen Farm; January 2023)
- **International Irrigation Symposium** (STIAS, February 2023)
- **Chris Krone Farewell Function** (Paarl, February 2023)
- **Energie-krisis-webinaar** (Februarie 2023)

- **Vrugte-uitstalling by die Sauvignon Blanc Internasionale Wynproe-kompetisie in Franschhoek** (Maart 2023)
- **Vrugte-uitsalling by die Wes-Kaap Minister van Landbou se Begrotingstoespraak in Kaapstad** (Maart 2023)
- **Hortgro Beursfunksie** (STIAS, Stellenbosch, Augustus 2023)
- **Best-practice Pollination Webinar** (August 2023)
- **Dried Tree Fruit Information Day** (September 2023)
- **Hortgro CherryZA AGM** (September 2023)
- **Free State Delegation Industry Visit** (September 2023)

Websites

What is a communication house without a ... website! At Hortgro we have several, that need constant care and attention. Over the past year we re-designed the following websites: Hortgro Science, Hortgro Events, FruitFly Africa, and completed the PSHB website. Next up will be a revamp of the mothership itself: www.hortgro.co.za.

Our main website is well-utilised and regularly visited. The metrics speak for itself. For instance, for the period 30 July to 30 August the daily average downloads from our website was 1966, with up to 62 905 downloads for a 30-day period.

Other websites include:

- **Fresh Quarterly:** <https://www.freshquarterly.co.za/>
- **Hortgro Stone Fruit App:** <https://app.hortgro-science.co.za/>
- **Agri's Got Talent:** <https://www.agrisgottalent.com/>

Our social media community:

Social media follower growth 1 Oct 2022 – 30 Sep 2023:



3021 - 6000



5772 - 7790



2878 - 3018



1930 - 2340



1667 - 1908

Nuusbriewe

In kommunikasiekringe is daar baie wat glo dat die organisasie-nuusbrief dood is. *Hortgro Nuus/News* het die afgelope nege jaar egter stewig gegroei en bereik maandeliks meer as 3 000 bedryfsbelanghebbendes. Vanjaar het dié nuusbrief weer bewys watter waardevolle strategiese rol dit speel, veral tydens krisiskommunikasie. Doelwitte sluit in betrokkenheid, deursigtigheid, konsekwentheid, relevansie, handelsmerkbou, kennisdeling, en mediabetrokkenheid. Dit is ook dié plek waar alle belangrike maandelikse bedryfsverwante inligting en nuusgebeure op een plek verpak word.

Hortgro Ekonomiese Ontwikkeling se transformasie nuusbrief *New Roots* is vanjaar geloods en bied 'n kragtoer van bedryfstransformasie-inisiatiewe en -stories.

Fruitloops

Internasionale kommunikasiepraktisyns het die afgelope paar jaar 'n fokusverskuiwing gesien van eksterne na interne kommunikasie – wat versnel is na Covid en meegaande geestesgesondheidskwessies.

Meeste praktisyns meen interne kommunikasie behoort meer aandag en 'n groter hap van die begroting te kry. Interne kommunikasie word ook as een van die grootste risiko's gesien wanneer reputasiebestuur ter sprake is. Elke maand publiseer Hortgro 'n interne nuusbrief, *FruitLoops*, met

'n verskeidenheid bedryfs- en persoonlike nuus, en psigo-sosiale kwessies.

Hortgro, as diensorganisasie, werk in 'n diverse en dinamiese omgewing en personeel word dikwels deur kliënte uitgedaag. Om leiding te gee en personeel te beskerm is 'n gedragskode opgestel wat deur alle personeel onderteken is.

“There is little success where there is little laughter.”

– Andrew Carnegie

“To win in the marketplace you must first win in the workplace.”

– Doug Conant

Hortgro Communication Advisory Committee (HCAC)

The newly established Hortgro Communication Advisory Committee met for the first time in March 2023. The Committee assists and guides Hortgro's strategic communication actions and lobbying that cross over all industry programmes. We are privileged to have Prof Marina Joubert (science and technology communication expert), Prof William Gumede (political analyst/economy), Regine le Roux (reputation and crises communication expert) and Angelo Petersen (Hortgro Director). We would like to thank the HCAC for their time and expertise that has already proven invaluable over the past year.

Advertising Value Equivalence (AVE) and Reach for the six-month period (1 Oct 2022 – 31 March 2023)* using Newsclip and amaSocial (print, broadcast, online, social media):

AVE: R22 417 403,67
Reach: 125 052 659

*Please note that we have discontinued this service due to costs and therefore cannot report on a full year's metrics.

Trade and Markets

Jacques du Preez | GENERAL MANAGER: TRADE AND MARKETS



In South Africa we have become calloused to the systemic demise of virtually all state-owned enterprises and functions. Again, during the 2022/23 season the industry and the economy was dropped by poor service delivery which the government has a monopoly on.

From a logistical point of view, it was a slightly better season, but again, our reference point is the previous season – one that scraped the bottom of the barrel. It was in fact again a horrendous logistical season. Worsened by excessive wind delays not experienced in recent years. The inability of Transnet to turn the situation around, specifically in the ports, is currently the biggest threat to our industry, sustainability and ultimately jobs. The security and availability of energy and costs of alternatives, of course, the other major challenge.

Agriculture has proven to be one of the stars when it comes to job creation, but sadly matters beyond our direct control is now threatening our future. But it is etched in our DNA to be resilient and innovative. We will eventually pull through, but at what cost and how many casualties along the way? Private sector participation is the only solution. Billions of rands are being lost in the process while government and labour unions continue to fumble.

It is astonishing what growers, and the rest of the supply chain were able to achieve, despite all that was thrown at them.

The first full season of pear exports to China yielded great results. Apple and pear exports to

India, utilising in-transit cold treatment, showed great increases in volumes. And plum exports to the USA more than doubled from the previous season.

On the market access front, we are well covered in terms of capacity and expertise, working closely with institutions of higher education in the plant pathology and entomology fields. The suspension of the Taiwanese market was a bitter pill to swallow, after two interceptions of codling moth were recorded in Taiwan. Similarly, the interceptions of oriental fruit moth on the last consignment of apples destined for Mexico, is a concern. The stone fruit industry's disciplined management of phytosanitary pests of concern (fruit fly and false codling moth) justifies acknowledgement but it cannot be overstated how crucial the pro-active management of pests and diseases are to secure the future of our industry. There is simply no room to take chances and the self-regulatory route is the only responsible way to deal with these risks.

Compounding the above, is the decreasing list of agro-chemicals available, including non-scientific commercial restrictions that increases production risks and trade compliance. Compliance (environmental, social, ethical) requirements also become more and more onerous and require more resources and increases costs, in many instances without any real benefit with retailers seemingly set to differentiate themselves. We are continually expected to do more, but with less and less tools in the "toolbox". Pro-active problem identification and scientific research are therefore key requirements in this battle.

For stone fruit, an exciting era lies ahead as we (hopefully soon!) embark on the process of gaining market access to China. This follows the signing of the avocado protocol between SA and China in August 2023, and paves the way for stone fruit as collective – a first time in the market access space. For pome fruit, Thailand and the Philippines are now firmly in the crosshairs of our telescope as the next markets to access.

Parallel to retaining current markets and opening new ones, is negotiating better trade agreements (tariffs). Our Achilles heel however is the cumbersome trade block, Southern African Customs Union (SACU), we find ourselves in. The fruit industries as a collective are lobbying government to try and find innovative ways around this, as we must compete with other exporting countries with one arm tied behind our backs. Despite this, we remain highly rated as a preferred supplier of excellent quality fruit.

The strategy of directing the focus of the Trade Awareness and Consumer Education programmes to market access and more towards the trade, is starting to pay off. For stone fruit a strategic decision was made to redirect resources and funding from the UK and EU to "new" markets like India

and the USA. For pome fruit the Middle East, Far East and Asia (India, China), and Africa are the target markets. For both pome and stone fruit, the importance of the local market has been reiterated, with this forming part of the short – and longer-term plans within a Southern African and African Continental Free Trade Agreement (ACFTA) context.

Globally consumer spending is still under pressure and inflation in many countries remain a concern. Fruit growers all over the world are feeling the pinch, but luckily shipping rates have and are coming down to more "fair" and acceptable levels.

In general, most of the export markets were receptive with positive financial results, albeit at reduced supply from SA. The outlook for the short to medium term is also positive, given that we can address the "own goals" South Africa continue to score so spectacularly.

We are likely in for a continued rough ride for at least the next two seasons. There is light at the end of the tunnel with government and the private sector progressively engaging on solutions for the major constraints, as indicated earlier. We have no other choice, but to take responsibility for our own destiny.





Information and Market Intelligence

Mariette Kotzé | GROUP OPERATIONS MANAGER

Upon my return from a recent visit to the USA visiting two of the largest apple producing regions in the world, being Washington state and New York state, I once again realized that information and market intelligence hold the key for the South African pome and stone fruit industries to remain competitive within the global export context.

The availability and dissemination of information and market intelligence improves transparency in the value chain, improves efficiencies and decision making at a production, packing, and marketing level and is key to identifying and managing risks in a highly volatile environment. This ultimately enables all role-players to remain resilient and inform decision making both operationally and at a strategic level given the long-term nature of our industry.

For the information and market intelligence programme to be effective in influencing decision making, the quality and credibility of information both from the demand and supply side, and the timeous dissemination of information throughout the value chain, is crucial. During the past financial year, the industry invested 4% of the industry's budget towards information and market intelligence to inform producers, packhouses, exporters and other role-players in the fruit value chain, to the ultimate benefit of the primary producer.

The focus over the past financial year and production cycle were focused on:

- Tree census information and trends – structural changes in the industry, planting, and replacement trends per fruit kind, per cultivar per area. Additional functionalities were added

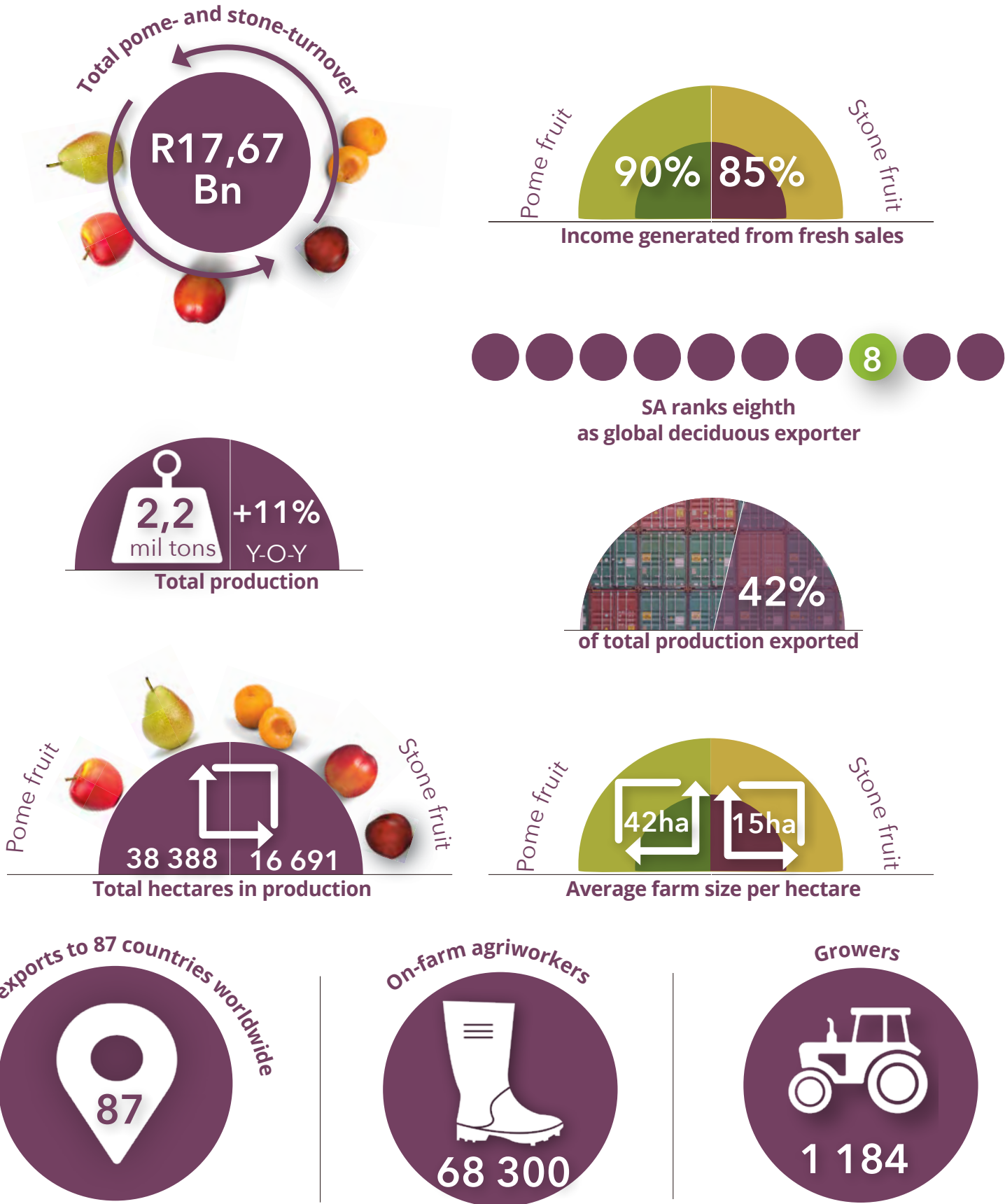
to the on-line platform to gather information regarding the use of rootstocks, irrigation systems, trellising/tree training systems and the use of netting and the type of netting systems used within the industry. This information is used to determine and project future volume growth of the industry, determine crop estimates, infrastructure, and investment requirements throughout the value chain, informing research, trade, market access and market development programmes, and transformational support programmes and priority areas.

- Support to existing study groups on a primary and secondary level for benchmarking purposes – production per hectare, pack-out percentage, production costs and performance per market segment and per market.
- Support towards Agri-Hub/PPECB with the provision an analysing of near real-time information on exports (inspections and shipments) per cultivar per week per market to inform producers, marketers and the trade that will enable better market coordination and returns.
- Competitor information with collaborative networks with northern and southern hemisphere structures to exchange information on production, exports, and domestic market supply. This information is important to contextualise global supply and demand/consumption within the southern hemisphere context and identify potential opportunities for the pome- and stone-fruit industries.

- Supporting services to other focus areas including but not limited to inputs regarding the changing policy and legislative environment

impacting on primary producers and supporting programmes, and continued investment in the BFAP sector, regional and farm-level modelling.

Key industry perspectives



Hortgro Economic Development

Cynthia Mahlathi | MANAGER



Transformation is a widely used and subjective term that differs depending on where one is standing. This makes it imperative for an organisation to critically develop its own definition of what transformation means, one that is aligned with its values and objectives. This process guides the organisation's path to transformation initiatives and provides a clear strategic overview to its stakeholders.

Hortgro builds its transformation initiatives on commitment towards sustainable development, inclusivity, and the vision of creating a globally competitive, equitable, unified, and economically transformed deciduous fruit industry.

Significant strides through the transformation initiatives within the deciduous fruit industry, have been made. At Hortgro transformation with post development support has become an integral part of the strategic objectives. Our approach has encompassed various dimensions, including business development support in both traditional and non-traditional areas, technical support, capacity building, and socio-economic development. These endeavours were made possible through valuable collaborations with industry and government stakeholders, most notably the Western Cape Department of Agriculture, the Jobs Fund, and PALS.

Our partnerships with these stakeholders underline the significance of Public-Private Partnerships (PPP) in driving meaningful change in the deciduous fruit industry. These collaborations have demonstrated the power of collective effort in addressing challenges and leveraging resources to

foster economic development and transformation. Partnership agreements with various provinces are in progress.

Hortgro, through the understanding of the power of knowledge sharing and collaborations, established a new publication that is specifically dedicated to serve as a compass for navigating the development and support journey for the industry. *New Roots* brings together a diverse range of voices, perspectives, and experiences, providing a platform for knowledge sharing and collaboration. By uniting producers, industry experts, researchers, and stakeholders, Hortgro aims to foster a collective understanding of the needs that drive transformation and the role each can play in facilitating meaningful progress and impact.

Current economic realities

While we acknowledge our progress and the dedication of our partners, it's essential to recognise that current economic realities pose a significant risk to sustaining our previous and current initiatives aimed at establishing a new generation of producers and value chain participants.

Throughout this journey, we have encountered challenges that tested our determination. From fluctuating input costs, driven in part by global geopolitical conflicts such as the Russia-Ukraine war, to the challenges posed by load shedding, logistical difficulties, and adverse climate conditions, we have had to navigate a complex landscape. These factors have had a significant impact on producers, influencing the industry's profitability, productivity, and market realisation.

In response to these challenges, Hortgro has focused support to existing producers to ensure their continued development towards free-standing commercial businesses and the creation of a conducive environment for stability and sustainability within the industry.

The rate of transformation remains a challenge due to various reasons, and Hortgro remains committed to addressing the various constraints in our long term, technical, capital- and labour-intensive industry with unwavering dedication. The current total number of hectares under black ownership in the industry is approximately 18 790 ha with just under 4 500 ha under fruit production. This represents 8% of the total area under pome- and stone-fruit production. The target by 2038 as encapsulated in the FruitSA transformation strategy is 30% with a value chain approach.

In April 2023, Hortgro established the Economic Development Advisory Committee (EDAC). This committee comprises independent individuals and representatives from the industry's and developing producers. The primary role of EDAC is to offer guidance and input for the economic development strategy, ensuring alignment with industry needs and related government guidelines and requirements.

The formation of EDAC signifies the industry's continued commitment to drive meaningful economic development and transformation and reinforces our commitment to inclusivity and sustainable growth. The diverse expertise and stakeholder representation within EDAC facilitate a collaborative approach to address challenges and ensure focussed and sustainable development. We believe that the collective wisdom of this committee will be instrumental in shaping the industry's path toward a transformed and economically inclusive future.

In conclusion, this review underscores the progress made in economic development and transformation within the deciduous fruit industry.

Despite the challenges we've faced, Hortgro remains committed to the vision of creating a globally competitive, equitable, unified, and economically transformed industry. We are conscious of the need to adapt to evolving economic realities and to accelerate our efforts to achieve meaningful transformation.

In the face of adversity, we must continue to be a driving force behind economic development and transformation of the deciduous fruit industry. Hortgro believes that true transformation is not achieved through isolated efforts but through collaborative initiatives that amplify the voices of those most affected. By listening, learning, and engaging with the industry's stakeholders, we can tailor our support initiatives to address specific needs that will result in the full participation of the deciduous fruit industry value chain.

We extend our sincere gratitude to all the stakeholders, producers, committee members, and partners who have contributed to our collective efforts in economic development and transformation within the deciduous fruit industry. Your support and collaboration have been invaluable.

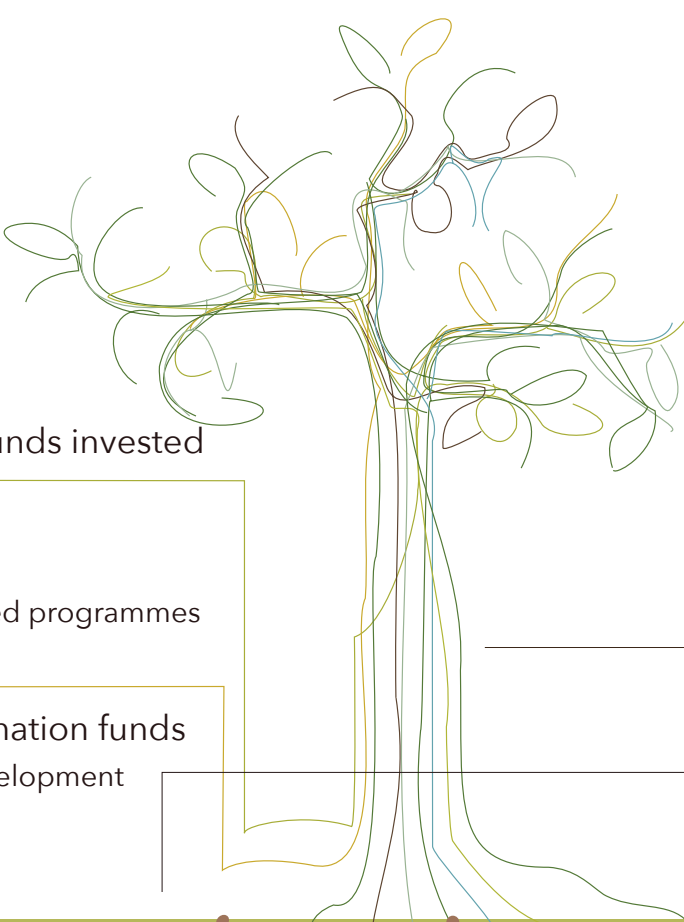


Industry Transformation Vision:

The development of appropriate industry strategies and management of industry-led support programmes to meaningfully contribute to a globally competitive, equitable, unified and economically transformed deciduous fruit industry.

Inspiring Inclusive Growth

Value of new orchards are R8,12 billion



R491,6 million industry funds invested

R325,9 million invested through government facilitated programmes

87% of industry transformation funds channelled for economic development

90% success rate throughout all projects

3713 new jobs created

855 ha established

Hortgro's Commitment to Transformation Initiatives

Statutory levies and Public-Private-Partnerships Transformation initiatives refocused from training, welfare and skills development to economic development and support programmes.

Hortgro Science
Wiehann Steyn | GENERAL MANAGER



Governance and Funding

Hortgro Science is guided in its strategies and operations by the Hortgro Science Advisory Council (Science AC) that reports to the Hortgro Pome and Hortgro Stone Boards, and the Pome and Stone Producer Councils, respectively. The Science AC members are Stephen Rabe (Chairman), Grant Smuts (Vice-chair), Linde du Toit, Frikkie Jacobs, Charl Stander, Raymond Koopstad, Prof Karen Theron, and Dr Ilze Trautmann. Anton Rabe (Hortgro Executive Director) is a non-voting, ex-officio member. Three young growers participating in the Hortgro industry leadership programme, James Hutton-Squire, Dibesho Serage and Gerrit van der Merwe, were invited to attend council meetings as observers.

To increase the competitiveness of South African deciduous fruit farming, research and development align with a strong efficiency drive

throughout the entire value chain, address key risks to the sustainability of the industry, and provide information to access, develop, and maintain export and local markets. Research and development are focused and 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 quality and trade risks throughout the value chain.

Research questions are identified through 13 research workgroups. The industry remains indebted to the 200 odd individuals who participate in these workgroups. The research questions form the basis of new project proposals submitted 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 challenge. Hortgro is currently co-funding two projects with the Water Research Commission (WRC) while we are also participating in the fifth round of the Postharvest Innovation Fund co-funded by the Department of Science and Innovation and administrated by the



Hortgro is currently co-funding two projects with the Water Research Commission

Fresh Produce Exporter's Forum. Sixteen research facilities and private researchers were utilized to conduct 121 research projects during 2022/23 with 41% of the project budget being spent at seven 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.

The first phytosanitary trials have commenced in the Phytosanitary Facility (PHYLA) at Welgevallen Experimental Farm of Stellenbosch University under management of facility manager and phytosanitary researcher, Dr Renate Smit. Dr Nanike Esterhuizen was appointed as entomology technician to support the research programme of Hortgro entomology researcher Dr Minette Karsten.

RESEARCH PROGRAMMES

Crop Production

The main research driver of the Crop Production Programme is to increase the production of high-quality fruit to maximise profits per hectare. Main risks addressed through research are water quality and availability, climate change and extreme weather, and plant material availability and quality. A climate change strategy was developed during 2023 and will be overseen by a soon-to-be-appointed sustainability manager. A water availability strategy has been commissioned for 2024.

Crop Protection

The Crop Protection Programme is multidisciplinary 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. Various new projects were initiated to address the risk posed by the polyphagous shot hole borer (PSHB). A comprehensive strategy to combat PSHB was developed. A new project was initiated to study crown gall in apple.

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. A logistics and packing workgroup were established to identify research gaps in this increasingly important field. Research was completed on the physiology and control of superficial scald while considerable effort is aimed at finding solutions to internal browning in Cripps Pink and shrivel in stone fruit.

COMMUNICATIONS

Fresh Quarterly

(www.freshquarterly.co.za)
The *Fresh Quarterly* is going from strength to strength with a steady increase in downloads. Articles can be found by keyword search and downloaded individually.

Hortgro Research Showcase and Postharvest Symposium

The 2023 Hortgro Research Showcase and Postharvest Symposium were huge successes and very well attended. The Showcase alternates with the Hortgro Technical Symposium which will be held again in June 2024.

Apps

The Stone Fruit App has a dedicated following and is updated annually. A climate change prediction App is in development.

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

The Hortgro Science website explains the research process, lists the different research groups, peer

workgroups and technical advisory committees, and provides 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.

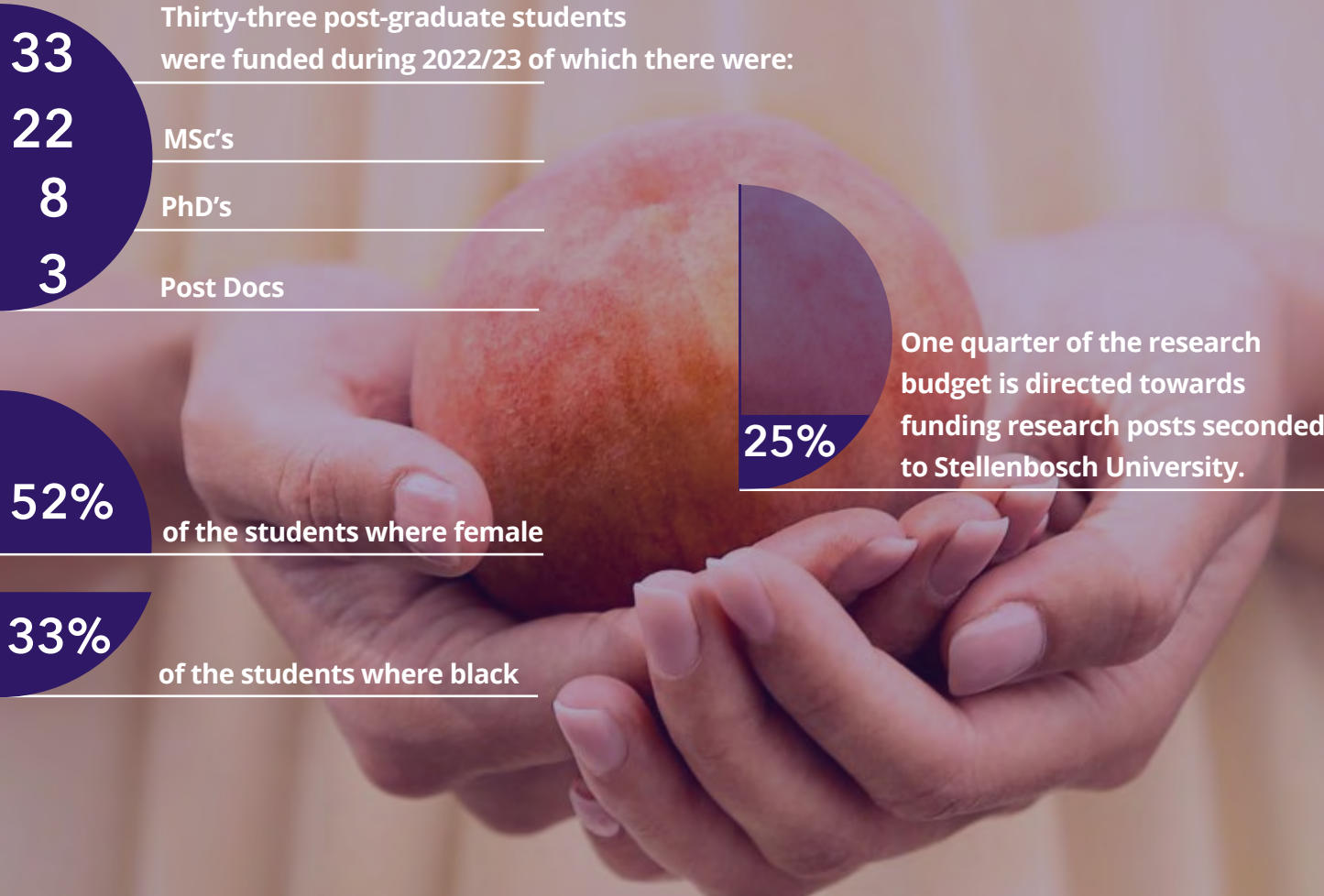
A subdomain of the website is dedicated to PSHB with information provided on the

occurrence, tree symptoms, identification, and management of this devastating pest. (<https://pshb.hortgro.science/>)

Another subdomain was developed for an online library of all completed research projects and will be activated during 2024 once all projects have been uploaded.

Capacity development:

The development of the next generation of scientists and technical people who can service the industry is an important objective of the research process.



Hortgro Technical

Hugh Campbell | GENERAL MANAGER

Hortgro Technical is a virtual structure that links all the technical aspects of Hortgro together to provide strategic direction and coordination to the various technical entities that operate directly under Hortgro as well as the service entities where Hortgro has a shareholding. The Hortgro Technical Coordinating Committee (HTCC) is the apex body that provides strategic direction and support.

Hortgro Science, Plant Material Management and a new initiative, notable Resource Management and Sustainability form the elements directly under Hortgro's management while FruitFly Africa,

Tissue Culture Facility, PlantSA/DPA, SAPO and Culdevco reflect the entities where Hortgro has a shareholding. All these entities are then coordinated under Hortgro Technical as far as it relates to pome- and stone- fruit issues.



Plant Material Management

Hugh Campbell | PLANT MATERIAL 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 focus during this past year has been on plant improvement and independent evaluation as the industry is no longer involved in any breeding programme. It is noted that during the period of 2002 – 2021, 1 608 pome fruit and 3 978 stone fruit cultivars,

totalling 5 586 were imported into SA (an average of 279 per year) and 460 local selections were identified. More revealing is that only 5% of the imported cultivars applied for clone registration and an even smaller percentage landed as viable cultivars. This implies that there is not a shortage of cultivars coming into the country. The challenge is finding cultivars that meet the market demand that are adapted to our environment, hence the focus on independent evaluation.

In the previous annual report, it was reported that the industry had embarked on a benchmarking exercise of the top plant certification schemes in the world and locally. Based on the outputs of the benchmarking study an implementation plan was developed identified as the Plant Improvement Plan (PIPs). The basic principle of the PIPs is "start clean, end clean." The PIPs were presented to the Deciduous Fruit Plant Improvement Association (DPA) and was accepted in principle, pending certain aspects that needed further clarification relating to the development of an independent service entity for plant quarantine, laboratory and nucleus services.

Based on the anticipated through-put for pome and stone fruit, the business plan indicated that it was not commercially viable and would require industry support funding. Industries did not support the funding of such an entity but agreed to support PlantSA and the DPA in implementing the proposed PIPs with a strong focus on PlantSA taking control of the inspection and auditing process and raising the level of verification to support the implementation of the PIPs. The DPA is currently in the process of developing the required protocols to enable the implementation of the PIPs. In many situations it requires pushing the "reset button" to get the processes aligned with PIPs. Currently only 37% of nursery trees are certified. The objective of PIPs is to increase the quality of planting material and in the process increase the efficiencies and reduce the timeline resulting in an increased level of certified plant material.

During this financial year Hortgro conducted a review of its independent evaluation of cultivars being conducted by the independent cultivar evaluation company, Provar. The objective of the review was to evaluate the status of what is working well, what is not working as it was

originally intended and what changes should be made to optimise the programme to achieve the ultimate objective of providing sound, scientifically based information to growers which will empower them to make sound planting decisions on which cultivar to plant and in the process, reduce their risk.

Provar has developed into a credible, competent centre of excellence in cultivar evaluation and in the process has created a package of additional services that support and enhance its core competencies of cultivar evaluation. The value proposition of Provar to Hortgro has broadened to include horticultural research, training, and internship of graduate students in conjunction with Stellenbosch University. It has established good working relationships with most of the IP owners and over the past three years, across all programmes, has evaluated 1 185 cultivars with only 12,2% of these progressing to the advanced evaluation stage implying that 1 041 cultivars have been culled. This is seen as a major contribution to the industry as it results in the removal of unviable cultivars.

To further increase the number of cultivars that are presented to Provar for evaluation, a project has been initiated to optimise the open Provar tasting platform where new cultivars can be viewed and tasted. Industry will fund the scientific evaluation of cultivars presented to Provar by IP owners. At the end of the season, the industry will identify and select cultivars that fit the various fruit type priority matrices. Some of these cultivars will also be considered to participate in the industry funded advanced screening project. Ultimately, the pursuit is to identify cultivars that are an improvement of the current mix of cultivars and to identify those cultivars that meet certain gaps in the marketing mix. This is particularly relevant to new markets that are being developed that demand a different cultivar profile to the traditional cultivar range.



Hortgro CherriesZA

Arno Marais | CHAIRPERSON

In 'n bedryf waarvan die aangeplante hektare die afgelope vyf jaar met meer as 70% toegeneem het, sal mens dink alles loop klopdisseelboom, maar so 'n groeikoers bring ook heelwat uitdagings mee. Gelukkig staan die rolspelers in hierdie bedryf saam en word daar vorentoe gekyk en kollektiewe planne beraam.

In 2023 a very interesting and worthwhile research study was completed on the adaptability of cherry cultivars in South Africa. Many cultivars are bred abroad in climates very different to that of South Africa and therefore a system had to be designed whereby cultivars could be evaluated using a universal system, giving unbiased data to the South African grower in order to make the best planting decisions when looking to expand his product range.

The project started with funds received from the Western Cape Department of Agriculture's Alternative Crops Fund, but the last two years the industry had to carry the project with its own resources. Not only did the project yield very useful data, but it also aided in the training of two skilled horticultural experts, something that is essential in a young and growing industry such as SA's cherry industry.

Kersies is 'n niche-produk wat nie noodwendig in almal se begroting pas nie. Daarom is dit belangrik om die uitvoermark te ontgin. Die bedryf doen gereeld markprioritisering en identifiseer dan nuwe ontluikende markte. Een so mark is China. Weens die aard van Suid-Afrika se handelsverhoudinge met China, moet 'n proses gevolg word, voordat

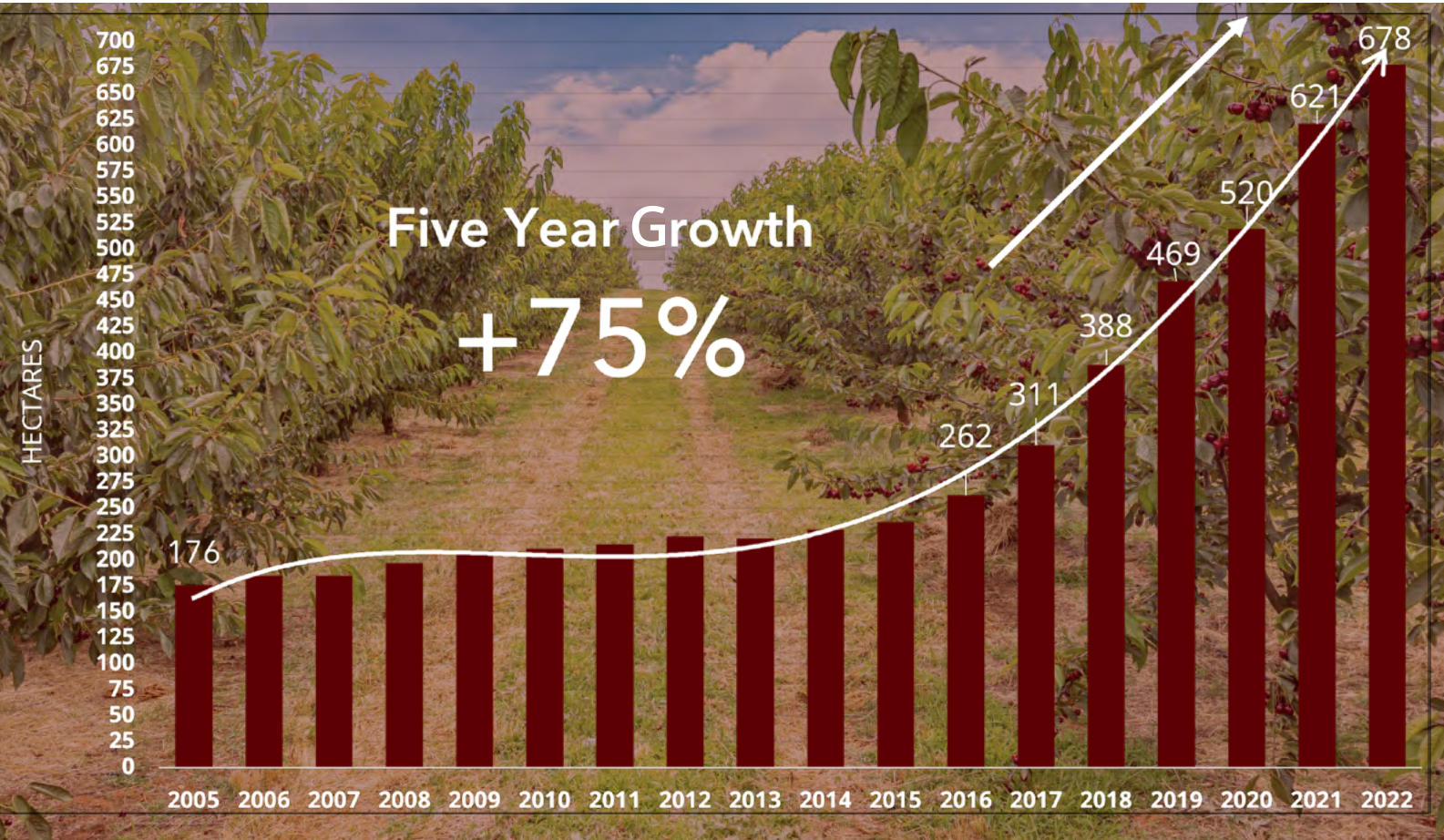
kersies toegang kan kry. Danksy 'n onlangse ooreenkoms waardeur avokado's nou toegang tot China verkry het, sal die steenvrugte-groepering nou volg. Ons is hoopvol dat dit ook die kersiebedryf sal bevoordeel en dat die bedryf binne vyf tot 10 jaar toegang tot China sal verkry. Intussen bly Europa die grootste tradisionele mark vir SA se kersies. Toenemende druk vanuit die EU, noodsaak die ontginning van alternatiewe markte.

Suid-Afrika is 'n baie klein rolspeler in die internasionale arena. Een groot voordeel wat Suid-Afrika het, is dat ons, wêreldwyd, die enigste land is wat gedurende September vars kersies kan lewer. Vroeë kersies wat in die noorde van die land geproduseer word kan derhalwe premiepryse verdien. Met goeie kwaliteit vrugte kan latere kersies vanuit die Wes-Kaap ook presteer, al is volumes laag.

COVID-19 taught the industry a few lessons. One of these was that one cannot put all your

eggs in one basket. Therefore, a decision was taken in 2023 to target the local market and to educate the South African consumer about the cherry season and the many advantages the product offers. With a per capita consumption of 0.02kg/person/year we've got our work cut out for us, but how difficult can it be to inspire people to consume such a beautiful and wholesome product at a time of the year when we all feel like celebrating with our loved ones?

Kersies is 'n hoë-inkomste produk maar hou ook hoë risiko in. Klimaatsverandering, met gepaardgaande rampspoedige uitskieterklimaatgebeurtenisse, soos hael en vloede, moet die voornemende produsent sy huiswerk en beplanning baie deeglik doen. Maar dank-sy samewerking tussen rolspelers en Hortgro CherriesZA kan selfs hierdie uitdagings die hoof gebied word. Ons sien met opgewondenheid uit na 2024 en die geleenthede wat dit bied.



Hortgro Dried Tree Fruit (DTF)

Ben Kotzé | VOORSITTER

Vir baie van ons is droëvrugte iets wat jy al van kindsbeen af geniet. Iets wat jou grootouers dalk as 'n spesiale bederf aangebied het saam met karringmelkbeskuit en beesbiltong.

Maar dit wil voorkom of die geheim van hierdie smaaklike, heilsame produk aan die uitsterf is. Vir hierdie rede het DTF 'n plaaslike markontwikkelingsprogram in samewerking met die rosyntjiebedryf, op die been gebring. Die doel is nie net om verkope te stimuleer nie, maar ook om die verbruiker in te lig en op te voed oor die kenmerke en voordele van die produk.

Die geluk is dat die mensdom al meer bewus raak van 'n gesonde leefstyl en dat die verbruik van onder andere droëvrugte onontbeerlik is om lewenskwaliteit te verbeter. Daarom behoort dit nie veel oortuiging te kos om die jonger generasie aan boord te kry nie.

Om seker te maak dat die bedryf homself belyn met internasionale standaarde en die behoeftes van die verbruiker, is daar ook 'n navorsingsprojek van stapel gestuur om ondersoek in te stel na alternatiewe vir die gebruik van swaweldioksied.

Hierdie middel word gebruik vir verskeie doeleindes soos om die vrugte te preserveer, die kleur te behou en om bederf te voorkom. Die uitdaging is egter om 'n koste-effektiewe alternatief te vind. Die projek kon verskeie alternatiewe vind, maar die koste hiervan op die prys van die eindproduk, is op hierdie stadium problematies.

The dried fruit industry is also investing in plant material improvement to ensure that the producer has access to cultivars suited to his soil and climatic conditions, achieve optimum yield and

at the same time satisfy demands from consumers. Cultivars suited to fresh fruit production aren't necessarily suited to dried fruit production and therefore breeders need to breed and select with these specific traits in mind.

A selection of Californian prunes was imported a few years ago for evaluation under South African conditions, and it is hoped that a few cultivars will pass the adaptability test. There's also a need for apricots that ripen late and that could extend the harvesting period of Bebeco and Soldonné.

Economic development and transformation have always been an important focus area and continue to be. DTF invested in several farms by means of a tree subsidy for new plantings to be established and that current orchards could be expanded. These projects are always supported by knowledge transfer, and it is foreseen that future investment will also focus on transferring essential technical and management skills needed for sustainable business development.

Die jaar het verskeie uitdagings gehad, van vloede en hael tot beurtkrag en politieke onstabielheid, maar ten spyte hiervan kyk ons steeds optimisties uit na 2024 en die geleenthede wat dit mag bied.

'n Bekende sanger het gesê:

"If you want a rainbow you gotta put up with the rain."

En na al die reën van 2023 moet daar definitief 'n reusagtige reënboog op ons wag.

Deciduous Fruit Industry Development Trust

Nicholas Dicey | CHAIRPERSON

The Deciduous Fruit Industry Development Trust (DFIDT) is entrusted to manage funds earmarked for the industry by the Deciduous Fruit Board at the time of deregulation of the industry in 1997.

Six trustees, two of whom are appointed by Hortgro and four who are DALRRD ministerial appointees, meet twice annually to discuss and determine how the proceeds of the initial R13.2 million capital contribution is allocated and utilised for the benefit of the deciduous industry.

Recipients include applicants for various social programmes in the industry and more recently also bursary applicants. Since the inception of the trust, 10 students received bursaries and all of them successfully completed their studies. The trustees however felt that bursaries are offered by enough other entities and donors and that the DFIDT could make a more meaningful impact by investing in economic development and business skills training.

In the past two years the trust also invested in a feasibility study in the Free State to determine the potential of three farms involved in pome- and stone-fruit production. Going forward, the trustees see a need for business skills training of entrepreneurs and believe that by channelling funds into such programmes, meaningful transformation objectives can be achieved.

Buying land, plant material and equipment however does not fit into the DFIDT framework, but empowering people with knowledge to successfully operate sustainable businesses might be the key that the DFIDT can use to unlock the industry's potential by supporting other industry economic development initiatives.

Vrugtewerker-ontwikkelings-trust

Wimpie Paulse | VOORSITTER

Dis met dankbare harte dat ons kan terugkyk oor die afgelope 12 maande. In vinnig-veranderende omstandighede en baie uitdagings in ons bedryf en land, kon die VWOT steeds 'n betekenisvolle bydrae maak tot die verbetering in die welstand van ons begunstigdes – permanente plaaswerkers.

Die Vrugtewerkerontwikkelingstrust (VWOT) het ten doel om die lewenskwaliteit van begunstigdes te verbeter deur onder andere opleiding en insette wat fokus op sosiale uitdagings soos geslagsgebaseerde geweld, alkohol- en dwelmmisbruik, asook 'n kontant-uitbetaling.

Die afgelope jaar het die VWOT saam met Procare opleiding en werksinkels oor alkohol- en dwelmmisbruik op begunstigde plase aangebied. Daar is 33 sessies aangebied waar 1 088 begunstigdes bereik is. Die terugvoer hieroor was deurgaans baie positief.

Agrifusion het weer uitstekend gevaar met die beleggings van trustfondse en daarom kon die VWOT weer dividende aan begunstigdes verklaar.

Die trustees spreek graag hul dank uit aan hul vennoot, Hortgro, vir die hantering van die trust se finansiële en administratiewe pligte. "Ek bedank ook graag my mede-trustees, mnr. Anton Rabe, dr. Konanani Liphadzi en me Dora Ndaba vir hul opofferinge en onbaatsugtige diens, raad en ondersteuning.

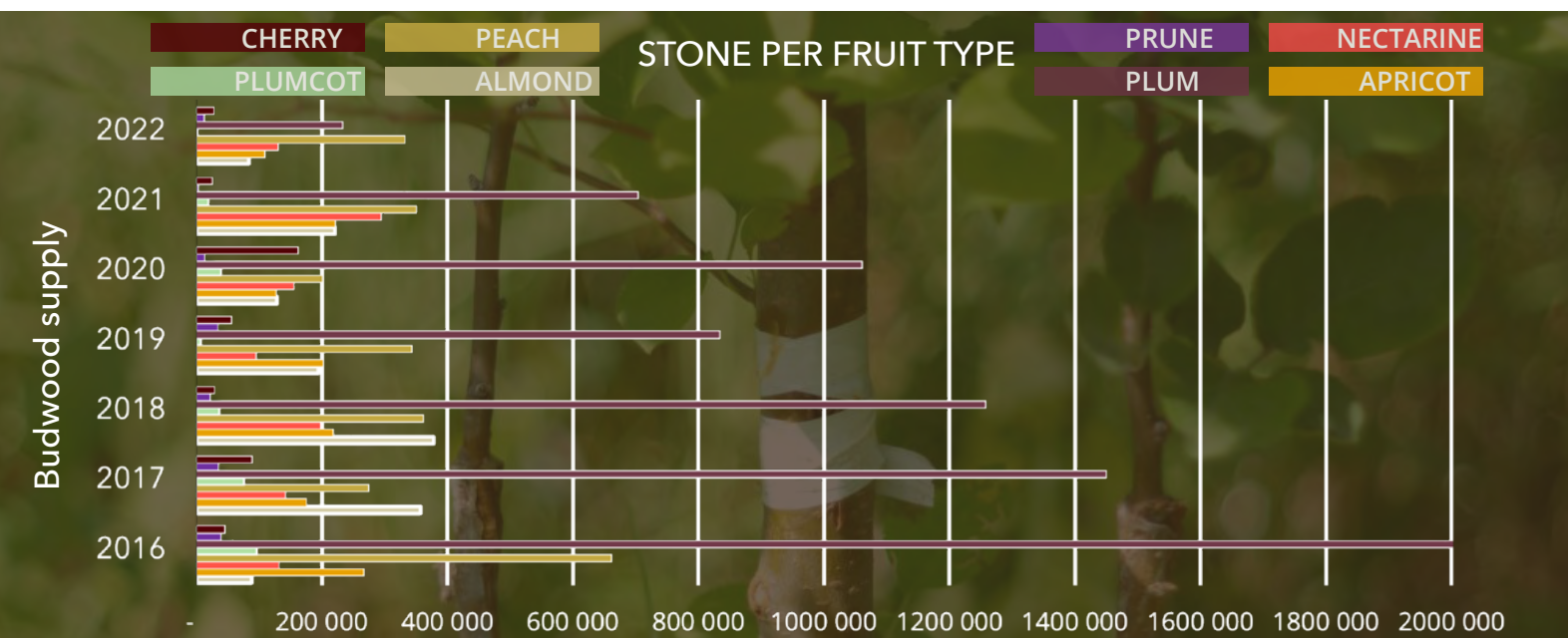
Ek sien uit na die volgende jaar van volgehoue sosiaal- en maatskaplike opheffing en verbetering van lewenskwaliteit van ons begunstigdes.

SAPO Trust was established in 1974 for the purpose of supplying the South-African deciduous fruit industry with good quality plant material. Forty-nine years later, quality plant material is still just as relevant, although the environment has changed significantly. Trees present their age through annual growth rings in their stems. Good years manifest as wider rings with lots of growth.

However, during hard times these rings are closer to each other with little growth. Although little growth might have occurred during the hard years, these narrower rings would eventually contribute to the strength of the tree. The South African deciduous industry has recently been challenged by tough years and it required organisations and businesses to adapt or become irrelevant.

This is also true for SAPO, and the business is currently in a process of refocussing to stay relevant. Although this is not easy, it is necessary and can only be achieved by keeping a long-term perspective while getting the basics right

Demand for stone fruit over the past seven years:



and maintaining good communication with all stakeholders.

OPERATING HIGHLIGHTS

Plant Material Supply

The demand and supply of plant material tends to reflect the tough economic times of the industry. Pome- and stone-fruit demand showed a significant downward trend compared to previous years. Late orders and cancellations of budwood were very characteristic to the supply of plant material in 2023.

When comparing the figures for stone plant material supplied in 2022 to those supplied in 2021, the demand was significantly less across all varieties exhibiting an overall decrease by 49%. The biggest contributors of stone sales remain plums, nectarines, apricots, peaches, and almonds. Stone varieties on higher demand were Cascade, Ruby Sun, and Summer Sun.

When comparing the figures for pome plant material supplied in 2023 to those supplied in



2022, the cumulative sales on pome plant material decreased by 18%, apples by 14% and pears by 25%. Apple varieties in higher demand were Fuji Royal, followed by Big Bucks (Flash Gala™), Royal Beaut and Granny Smith. The Rosemarie selection remain the most popular pear variety with better colour. Other pears in demand were Celina and Forelle.

Variety Development and Intellectual Property Management

The Variety Development and Intellectual Property Management (VDIP) unit of SAPO Trust experienced personnel changes during 2022/23 but continue to grow with regular virtual meetings with IP clients from abroad. The attendance of Fruit Attraction in Madrid, Spain, in October 2023 allowed in person meetings with many clients discussing variety development plans. This year, SAPO has filed two new plant breeders' rights and variety listing applications as well as facilitated a trademark application. Various new test and evaluation agreements were secured for promising varieties and mutations, with the hope of commercialisation in future.

SAPO has a non-exclusive variety management model, ensuring a competitive advantage to growers. We have an increasing number of organisations that are choosing to utilise SAPO to assist with various aspects of registrations or variety management services. The new IP management team looks forward to assisting all our IP partners as far as possible within our capabilities.

Laboratory tests conducted by the SAPO Trust laboratory during 2022/2023

TEST DESCRIPTION		TOTAL TESTS CONDUCTED
ELISA tests	Pome and stone fruit	33 275
ELISA tests	Grapevine	32 444
PCR tests	Pome fruit	136
EVd1LAMP tests	Stone fruit	2 563

Plant Improvement

SAPO Trust upscaled its virus elimination capacity with the construction of four state-of-the-art thermal therapy chambers. The initiative included visits to virus elimination facilities in the Netherlands, France, and Italy, aiming to ensure the establishment of optimal facilities and infrastructure, considering various aspects such as facility design, technology, and operational procedures. These new facilities enable a higher throughput of grapevine, pome-, and stone-fruit varieties through virus elimination – conditions are more optimal, compared to the older thermal therapy chambers.

The SAPO Trust laboratory successfully tested a total of 68 418 vine, stone- and pome-fruit samples during 2022/23. An overview of the fruit groups and types of tests conducted is indicated in Table 1. These tests are carried out to ensure that plant material provided by SAPO Trust to nurseries and producers has been screened for economically significant viruses on these crops. This is one of the measures that SAPO Trust takes to provide high-quality plant material.

Nursery services at a glance

- The nursery produced a total of 16 231 test and evaluation trees and the following rootstocks:
- 820 742 stone-fruit rootstocks
- 25 406 apple rootstocks
- 28 840 pear rootstocks.

The nursery produced around 70% of the stone-fruit industry's budwood in co-operation with SAPO contracted stone-fruit nurseries. For pome fruit, 30% of the industry's budwood has been produced by the SAPO nursery.

FruitFly Africa

Ghian du Toit | MANAGER

I love words. I recently came upon a new one which puts a spin on things: a portmanteau word. A portmanteau word is created when you blend two or more words to form some combination of the meaning of its parts. Examples of portmanteau words are hangry (hungry + angry), chillax (chill + relax) and plumcot (plum + apricot). Similarly, FFA's Integrated Pest Management approach can be seen as a blending of pest management practices in a synergistic way to the benefit of the farming community.

The good, the bad ... and the new

The Good

We're looking back with gratefulness upon all the things which went according to plan:

- We have had a consistent production of high-quality sterile Medflies in the past season. The releases of Medflies, both aerially and per ground, also went well except for Wolseley, where aerial releases were sometimes hampered by strong winds.
- Our aerial baiting programme (with GF-120NF™) has executed 49 statutory baitings, covering over 150 000 ha in total. It ran from November 2022 (week 46) until April 2023 (week 17) and included a number of voluntary baitings in the Warm Bokkeveld and Hex River Valley.
- FFA partakes in a research project championed by the World Trade Organisation (WTO) and the Standards and Trade Development Facility (STDF). It aims to characterise Areas of Low Pest Prevalence (ALPPs) and Pest-Free Areas (PFAs), specifically with regards to the Oriental

fruit fly (*Bactrocera dorsalis*), the Mediterranean fruit fly (*Ceratitis capitata*) and the Melon fruit fly (*Zeugodacus cucurbitae*). The project includes several fruit production areas in South Africa, and in Mozambique. This three-year project comes to an end in December 2023, and includes role-players such as the Department of Agriculture, Land Reform and Rural Development (DALRRD), Stellenbosch University (US) and Citrus Research International (CRI). And the good news? Thus far, we haven't had any interceptions of Melon fruit fly in any of our traps, spread across Hex River Valley, Witzenberg, Elgin/Grabouw, Vyeboom, Villiersdorp and Langkloof. Melon fruit fly is already present in Asia, Central Africa, and Australia.



Bo: Sandra Bergstedt, produksie-assistent by FFA se steriele Medvliegfasiliteit in Stellenbosch, besig om 'n nuwe lot larwe-voermengsel voor te berei. Die larwe-voermengsel is spesifiek geformuleer om die beste kombinasie van voedingselemente vir die groeiende larwes te bied, en bestaan grootliks uit koring, semels, gis, suiker en water.



FFA has had fewer Oriental fruit fly interceptions in the past season (three in total) compared to the same period last year (eight in total). The exact reason is unknown, but the relief is most welcome! However, just because fewer interceptions were made, in no way should we reduce our efforts to monitor and eradicate this pest. With its international quarantine status and wide host range, it continues to be a serious threat to our fruit industry. Apart from the PUC-level *B. dorsalis* traps, FFA also services some 1 200 surveillance traps (on a weekly basis) located at high-risk places like towns, home gardens, packhouses, truck stops, fruit vending areas, filling stations, schools, etc.

The Bad

Let's face it - life does not always go according to plan. It reminds me of one of my favourite quotes, from John Maxwell:

"A man must be big enough to admit his mistakes, smart enough to profit from them, and strong enough to correct them."

- Live codling moth (*Cydia pomonella*) larvae, which were traced back to the Langkloof and Elgin, were intercepted in apples upon arrival in Taiwan. The Taiwan market was consequently closed, with serious financial consequences to producers.
- Interception of Oriental fruit moth (*Grapholita molesta*): The Mexican inspector found OFM larvae in apples from the EGW region destined for Mexico.
- The above examples highlight the importance of having a strong, area-wide pest monitoring system in place to mitigate the risks on market access.

The New

- To work smarter and incorporate new technology into our business, we are in the

process of implementing a new monitoring system in the form of a phone and desktop application (app). It will improve our data collection process and provide a platform for better reporting, analysis, and imagery.

- FruitFly Africa has applied for the renewal of a three-year Service Level Agreement with DALRRD. If successful, this grant will help fund our operations and bring down costs to our producers. Parallel to this, FruitFly Africa is in the process of applying for the renewal of a four-year statutory fruit fly levy with the National Agricultural Marketing Council (NAMC). The current levy lapses in June 2024. To this end, roadshows will be held in each of FFA's existing regions, as well as a couple of new regions which indicated interest to be included in the FFA-programme. We would like to thank all our producers and stakeholders for their support in the last four years and are looking forward to a renewal of the statutory measures through a highlevel of producer support for the next four years.

FruitFly Africa is verbind daartoe om sy dienste op 'n deursigtige, billike en koste-effektiewe manier te lewer tot voordeel van die breë vrugtebedryf.

Onder: 'n Voorbeeld van die gebruikerskoppelvlak (user interface) van ons nuwe moniteringstoepassing (app)





Met die afskop van die 2022/23-seisoen was daar die verwagting van 'n baie belowende seisoen vir kern- en steenvrugte, tafeldruiwe en rosyne. Die weer en klimaat het egter nie saamgespeel nie en het meestal tot aansienlik laer volumes in vergelyking met die vorige seisoen gelei. Die laat aanbreek van die somer, ongeleë somerreëns en oorstromings in die Oranjerivervallei, het veral 'n groot negatiewe impak op volumes gehad.

Die gehalte van steen- en kernvrugte met hoë uitpakpersentasies was egter goed. Tesame met 'n gunstige wisselkoers was die seisoen dus grootliks suksesvol. Die kleurontwikkeling van vrugte was ook beter as die vorige seisoen, maar in die Klein Karoo is oor die algemeen kleiner vrugsgroottes van steenvrugte ervaar. Die hou-vermoë van vrugsoorte was beter as die vorige seisoene, maar dit is grootliks ongedaan gemaak deur 'n steeds swak-funksionerende Kaapstad-hawe wat vrugte se hou vermoë uitermate getoets en tot onaanvaarbare verliese gelei het. Suid-Afrika se reputasie as 'n betroubare vrugte- en diensverskaffer is hierdeur onder druk geplaas.

Culdevco se gelisensieerde pruimkultivars soos Ruby Sun, Laetitia, Ruby Star en African Delight® het ten spyte van die logistieke uitdagings redelik goed gevaar en steeds redelike tot goeie pryse onder omstandighede behaal. Culdevco se peervariëteite (Rozy-Lwazi, 'n vroeë blospeer, Rosemarie Select sowel as Cheeky) het ook goeie pryse in die mark behaal.

'n Gevolgtrekking uit hierdie en die vorige seisoen is dat dit van kardinale belang is dat Culdevco sy evaluasie-protokolle moet aanpas vir langer

koelopbergingperiodes en respirasietempo's, veral op steenvrugte.

Samewerking tussen LNR en Culdevco

Culdevco het voortgegaan om met die Landbounavorsingsraad (LNR) se nuwe hoof uitvoerende beampte, dr. Litha Magingxa, en ander senior rolspelers van die LNR te ontmoet, na 'n periode van stram verhoudinge. Die partye het hulle in beginsel verbind tot volgehoue same-werking en beter kommunikasie. Tesame met die herstrukturering van Culdevco se aandeel-houding met CultiPowered, 'n 100% swart entiteit, bly dit 'n uitdaging om die LNR van Culdevco en kwekery-medewerkers se transformasie- en bemagtigingstatus te oortuig.

Gesprekke sal egter voortduur, ook met ge-reelde stuurkomiteevergaderings tussen die par-tye wat volgens ooreenkoms gehou moet word. Die oogmerk is om stuurkomiteevergaderings meer strategies van aard en oorhoofs toesighoudend te maak terwyl operasionele aspekte deur die onder-skeie besture hanteer word. 'n Oogmerk is dat Culdevco voortaan direk by die finansiering van LNR-teling betrokke sal raak en dat dit nie meer deur die verskillende bedrywe sal geskied nie. Detail sal hopelik binnekort uitgeklaar en ooreengekom kan word.

Finansies

Culdevco het die 2022/23 finansiële jaar sy begrote inkomste met 23% oorskry. Dit was 10% hoër as die van die 2021/22 boekjaar. Dit kan hoofsaaklik toegeskryf word aan 'n verhoogde tan-tiëme-inkomste vanuit die buiteland asook beter

inkomste vanuit produksie-tantiëme binne Suid-Afrika. 'n Laer as verwagte inkomste het vanaf boom- en stoktantiëmes gerealiseer en kan hoof-saaklik aan die volgende redes toegeskryf word:

- Logistieke probleme.
- Die skade wat produsente gely het ten opsigte van die pruimviroïed.
- Hoë insetkoste.
- Die afname in nuwe kompeterende kultivars vanuit die LNR-teelprogramme.
- Die veranderde klimaatstoestande en die energiekrisis.

Kultivarontwikkeling

Culdevco het voortgegaan met die intensiewe onafhanklike evaluasie van kern- en steenvrugte asook tafeldruiwe soos uiteengesit in die Culdevco/LNR-ooreenkoms. Van die vernaamste seleksies wat in 2023/24 deur Culdevco en Provar (as onafhanklike evalueringsvernoot), geëvalueer word, sluit in:

Pere

Een vroeë rooiblospeer in semi-kommer-siële fase (Cape Blush-P07-03) wat reeds beskikbaar is om deur die bedryf aangeplant te word. 'n Verdere drie belowende rooiblospere in 'n gevorderde evaluasiefase.



Pruime

Vier seleksies in semi-kommer-siële fase (PR06-23; PR11-04; PR12-10 en Flavour Star).



Nektariens

Een seleksie in semi-kommer-siële fase (NE08-16).

Twee rooi en vier geel nektariens in 'n gevorderde stadium van evaluasie.

Droognektariens

Drie seleksies in 'n gevorderde fase van evaluasie.

Perskes (vars mark):

Drie seleksies in 'n gevorderde stadium van evaluasie.

Perskes (inmaak)

Een seleksie in semi-kommer-siële fase (PE10-20- Victory).

Perskes (droog)

Drie seleksies in 'n gevorderde stadium van evaluasie.



Buitelandse bemaking

Daar is goeie vordering gemaak met nuwe belowende kern- en steenvrugkultivars en se-leksies wat na Culdevco-lisensiehouers in Chili, Frankryk en Griekeland vir evaluasie gestuur is.

Culdevco het 'n reeks evaluasie-ooreenkoms te in Frankryk, Argentinië, Italië, Chili, Griekeland. Dit sluit in ons peer-, pruim- en tafeldruivariëteite. Culdevco se beleid is om altyd in beste belang van plaaslike produsente op tree. Besluite oor kom-mersialisering in die lande word oordeelkundig en van geval-tot-geval geneem.

Korporatiewe aksie en organisasie-ontwikkeling

In ooreenstemming met die bepalinge van die LNR/Culdevco-kontrak, word van Culdevco vereis om swartekonomies-bemagtigend (BBBEE) te wees. Na die oorweging van verskeie modelle en opsies het die Culdevco-direksie besluit dat 'n progressiewe stap geneem moet word om Culdevco se eie-naarskap te transformeer. Op 4 April 2022 het die aandeelhouers en direksie alle nodige stappe geneem om CultiPowered tot stand te bring om 'n 51% belang in Culdevco ooreenkomstig 'n "Broad-Based Ownership Scheme" te verkry. CultiPowered dra by tot bemagtiging en transformasie in die aandeelhouerbedrywe.

Afsluiting en bedankings

Aan die einde van November 2022 het ons tot-siens gesê aan dr. Leon von Mollendorff en ons wens hom voorspoed en seën toe met die pad vorentoe. Hy het 'n goeie gesonde besigheid met kollegas en medewerkers waarop staatgemaak kan word, nagelaat. Ons dank hom vir sy bydrae tot 'n volhoubare en stabiele Culdevco wat toekomstige uitdagings suksesvol sal kan oorkom.

Sagtevrugteplantverbeteringsvereniging

Rachel Kriel | BESTUURDER PLANTSA*

(*PlantSA lewer bestuurs- en administratiewe dienste aan die SPV.)

Die stigtingsvergadering van die Sagtevrugteplantverbeteringsvereniging (SPV) het op 26 Oktober 1990 plaasgevind. Mnr. J.L.B. du Toit van die Inmaakvrugteraad is aangewys as eerste voorsitter van die SPV-raad. Die vereniging is gestig om die "gesag" oor die destydse kern- en steenvrugte, asook die tafel- en droogdruifsertifiseringskemas oor te neem. Hierdie aksie het gevolg op 'n versoek vanaf die departement van landbou dat die verantwoordelikheid ten opsigte van sertifiseringskemas tot op kwekeryvlak vanaf die staat na die bedrywe oorgedra word.

Die Sagtevrugteplantsertifiseringskema is op 15 Oktober 1993 onder die Plantverbeteringswet, (Wet Nr. 53 van 1976) ingestel en daarmee saam is die uitvoerende raad van die SPV amptelik aangewys as die gesag vir die toepassing van die skema. Die 2022/23-seisoen was dus die dertigste bestaansjaar van die skema. Dié tydperk het verskeie veranderinge in die samestelling van die vereniging asook die lewering van plantsertifiseringsdienste gesien.

The major milestones over the past 30 years include:

1996 The start of electronic record keeping of the activities of the Deciduous Fruit Plant Improvement Association (DPA) – according to these records 72,5 million trees have been certified over the last 28 years.

2004 Plant Improvement South Africa (PlantSA) is registered as a non-profit company with the main

purpose of providing management and administrative services in support of plant improvement and plant certification in the interest of horticulture in South Africa.

2017 One of the undertakings during the negotiations between the DPA and the Vine Improvement Association (VIA) in setting up PlantSA, was to transfer the table- and drying grape component from the DPA to the VIA. The transfer is finally completed and since then the focus of the DPA has been exclusively on plant improvement and certification of deciduous fruit trees.

2023 The first International Symposium on Plant Propagation Nursery Organisation and Management to Produce Certified Fruit trees takes place in Italy and is attended by members of the DPA Technical Committee.

There were eight different Plant Improvement Organisations (PIO) registered for different lengths of time over the past 30 years. Of these, SAPO Trust and TopFruit were members since the establishment of the DPA and Stargrow is a member since 1992. These three organisations are currently the only PIO members of the DPA. Over the years the number of registered nurseries varied between 19 and 41 with the current membership at 38 nurseries. The total number of trees lifted (per certification category) over the 28 year period is illustrated in Graph 1. The number of certified trees (including candidate trees) was, for the past two seasons, at an all-time low of only 34%.

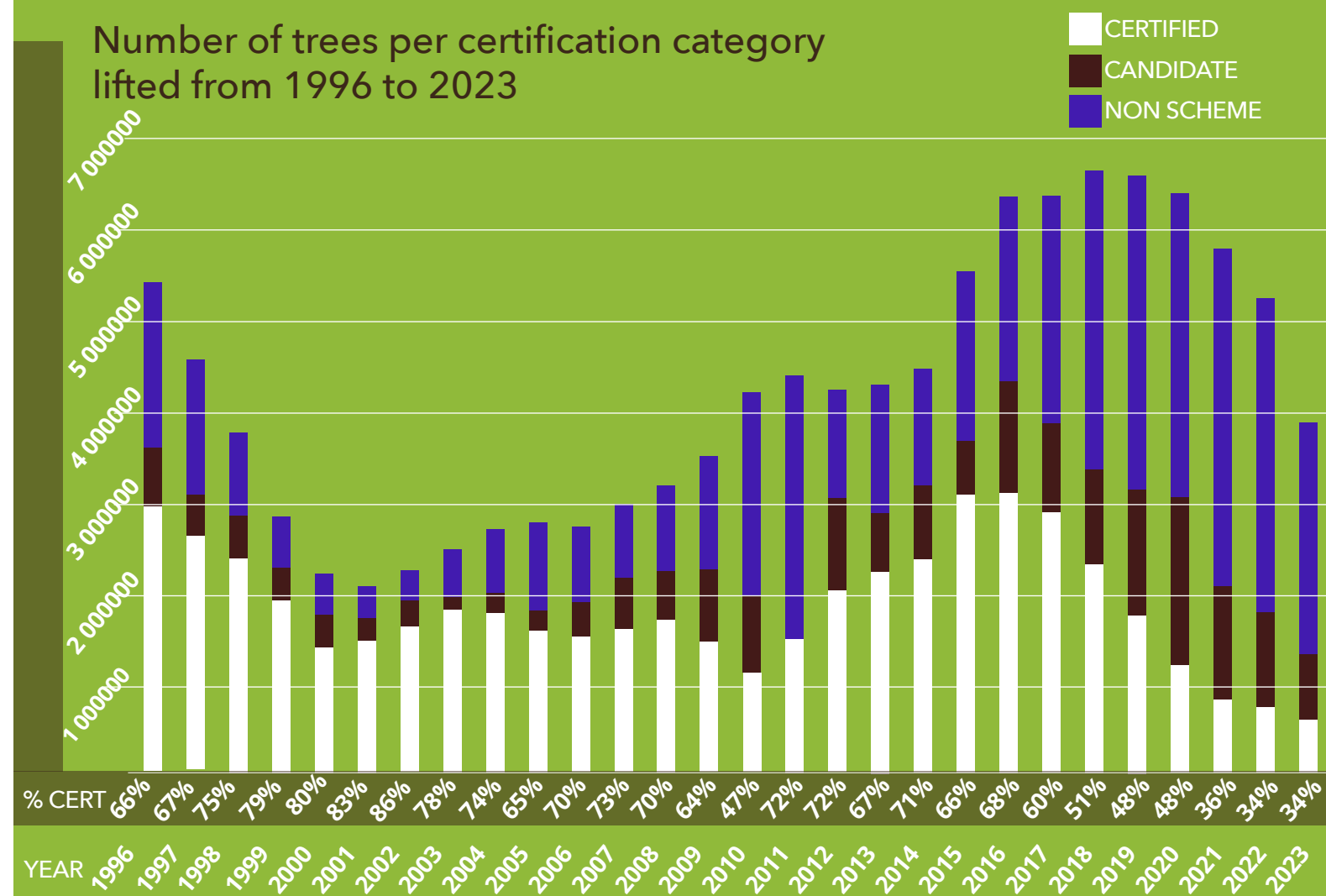
Daar is al sedert 2019 vroe vanaf die produsente-verteenvoordigers oor die waarde wat

die skema toevoeg. Na afloop van twee strategiese sessies, onder leiding van die produsente-verteenvoordigers, op onderskeidelik 29 Oktober 2019 en 6 Augustus 2021 is daar bevestig dat die sagtevrugtebedryf steeds sertifisering as 'n noodsaaklike deel van plantverbetering beskou. Na aanleiding hiervan is 'n werkgroep in 2022 aangewys om 'n ondersoek te doen na plantverbetering en die funksie van die skema vir die sagtevrugtebedryf. Daar is aanvanklik 'n verslag opgestel waarin die huidige skema en plantverbeteringsprosesse teenoor soortgelyke skemas plaaslik en oorsee vergelyk is. Daarna is daar voorstelle gemaak oor watter stappe nodig is om die toepassing van die skema in lyn te bring met wat tydens die ondersoek as beste praktyke bevind is. Die finale stap van die projek was om 'n plantverbeteringsplan op te stel waarin uiteengesit is watter prosesse benodig word om die SPV te hersien en te omskep in 'n geloofwaardige liggaam om die skema toe te pas.

Hierdie plan is in 2023 gedeeltelik aanvaar en daar is die afgelope jaar begin met die eerste stappe van implementering.

The 2022/23 season saw the least number of trees lifted in 14 years and the fewest trees ever presented for certification in the history of the DPA. Although this provides the ideal low base to start building the improved DPA from, it comes with major challenges specifically from a financial point of view. Most of the income of the DPA is based on service fees which is directly linked to the participation of the PIOs as far as presenting plant material for certification is concerned as well as the number of certified trees propagated. Despite the current unstable position of the DPA, PlantSA is committed to implement the necessary steps to provide the best possible service to the deciduous fruit industry in respect of certification as a tool to guarantee the plant improvement processes taking place at both PIO and nursery level.

Number of trees per certification category lifted from 1996 to 2023



Hortfin Michael Brinkhuis | CHIEF EXECUTIVE OFFICER

The saying that it never rains but it pours, is probably the most appropriate description of the experience agricultural producers and related businesses had to contend with over the past few seasons.

Hortfin, its clients and the many stakeholders in the industry had to navigate very challenging times as we experienced several external conditions that presented a huge demand on the abilities and resilience of these operations and its resources.

Hortfin continued bravely in its quest to implement the deciduous fruit industry debt programme, supporting businesses with customised financial and business solutions to address their business needs. This programme is enabled and keenly supported by the Jobs Fund and the deciduous and vine industries.

Daadwerklike pogings is deur verskeie partye, insluitend die bedryfsliggame en die regering, aangewend om van die struikelblokke wat besighede kniehalter, aan te spreek. Desnieteenstaande, het die landbousektor verskeie uitdagings beleef. Terwyl marktoegang, produksieaanvraag, redelike pryse en 'n beter logistieke



regime 'n positiewe vooruitsig was in 2023, het die wispelturige weerstoestande wat gepaard gegaan het met abnormale reën, haelstorms en oorstromings, die opbrengste en winsgewendheid van besighede negatief beïnvloed.

Die impak hiervan is noemenswaardig veral omdat dit kort op die hakke kom van die vorige seisoene se droogtes en verwante uitdagende bedryfstoeestande.

With a core Hortfin operational team and the committees and structures finding their rhythm, Hortfin intensified efforts to maximise the utilisation of the time available until the Jobs Fund concludes its participation in the Hortfin programme by March 2024. The Jobs Fund will however remain involved during the monitoring and evaluation stage for at least the next two years. The efforts, together with a strong intent from the commercial banking partner (FNB), Hortfin obtained decent momentum and approved several new deals.

The Western Cape Department of Agriculture continued to play a very supportive role during the year in making emergency funds available to assist various projects in distress which Hortfin could utilise to structure and approve loans to certain fruit businesses.

To date, Hortfin has approved and disbursed deals valued at more than R221 million. During the process over 1 550 new jobs were created and 53 individuals trained. Although several projects are bearing the brunt of the adverse operating environmental conditions, the businesses and operators are showing enormous resilience in coping with the challenges.



The Hortfin post-investment support offering has become a focus area as the businesses demonstrate their requirement thereof.

Suksesvolle Hortfin-projekte is besig om geleidelik meer en meer aandag te trek. Gevolglik word navrae van verskeie instellings gereeld ontvang om moontlike samewerking en vennootskappe met Hortfin te ondersoek. Só het Nedbank die afgelope jaar die tweede kommersiële finansier geword wat by die Hortfin finansieringskonsortium aansluit het. Dit volg op FNB wat in 2021 by Hortfin betrokke geraak het as mede-finansier. Daar word tans gesprekke gevoer met 'n derde kommersiële bank oor moontlike samewerking met die Hortfin-program.

The key focus areas are currently to intensify and augment monitoring and evaluation (M&E) and post-investment support to the funded businesses in the portfolio. Simultaneously the evaluations of the final batch of transactions are being concluded to be presented to the Jobs Fund. This will happen before the conclusion of their funding participation to the Hortfin fund by 31 March 2024.

Activities to secure new investments for the "Hortfin-beyond-Jobs-Fund" have resulted in a few potential leads that are being explored and evaluated. The possibilities of other industry bodies joining the current consortium of deciduous fruit are also being considered and evaluated to prolong the programme beyond its initial horizon.



Tissue Culture Facility

Charmaine Stander | LABORATORIUMBESTUURDER



Die verskeidenheid onderstamme geproduseer en suksesvol afgehard deur die weefselkultuur-fasiliteit, Tissue Culture Facility (TCF), het in die afgelope jaar aansienlik uitgebrei, gegewe volgehoue navorsing om die regte medium regimes en afhardingsprotokols te ontwikkel.

Steenrugvariëteite sluit in: Viking, Atlas, Cadaman, Flordaguard, GF677, Titan SG1, Guardian en Marianna. Die kernrugvariëteite sluit in appel: G202, G210, G213, G228, G778, G890, en dan ook kersies: Maxma 14, Maxma 60 en Gisela 13. Die wingerd-onderstamme is uitgebrei met Paulsen en Ramsey (kloon SC19B). Bykomende of ander kommoditeite wat geproduseer is, sluit in: Bounty (kiwi), UCB-1 (pistachio) en verskeidenheid bloubessiekultivars.

Die laboratorium het in totaal tot en met vanjaar 1 104 119 in vitro plante geproduseer. Die grootste hoeveelheid hiervan was 775 500 bloubessies wat aan 'n kliënt gelewer is. Die oorblywende hoeveelheid sluit dus onder andere die

kern- en steenvrugvariëteite in wat deur TCF se afhardingstonnels hanteer is. Protokolle vir die verskeidenheid variëteite is ook in die afgelope jaar gefinaliseer en daar sal eersdaags groter volumes van hierdie kultivars ook beskikbaar wees: M9 T337 en M9 N29 (appels), BA-29 en BP-1 (pere) en Chandler, Vlach en Howard (okkerneute)

In Januarie 2023 is van die eerste kwarantyn-materiaal wat deur TCF ontvang is, vrygestel deur die Departement van Landbou, Grondhervorming en Landelike Ontwikkeling. Hierdie sluit onder andere in perske, pruime, nektariens, bloubessies en wingerd. Om die afharding van die kwarantyn-materiaal beter te bestuur is daar in die begin van die jaar besluit om 'n afhardingstonnel op te rig spesifiek vir hierdie materiaal. Hierdie kwarantyn-tonnel is teen einde Augustus 2023 opgerig en in gebruik geneem. Leander Gagiano (kwekery-bestuurder) het in Maart 2023 Sierra Gold Kwekery in Kalifornië in die VSA besoek. Hy het tydens die geleentheid sy kennis verbreed ten opsigte van kwekery-aangeleenthede asook bande met dr. John Driver versterk.

Die afgelope jaar het die personeel by TCF tot 30 gegroei. Die meeste (20) werk in die laboratorium, terwyl die ander in die tunnels is. Presies drie jaar gelede is die eerste personeellede aangestel. Dit is bevredigend om te sien wat in drie jaar vermag is en hoe die personeel in hulle onderskeie posisies gegroei het.

Afgeharde Ramsey-onderstokke



Chandler-okkerneutweefselkultuurmateriaal



Hortgro in Pictures



Free State delegation visit: Philip Toerien (Two-a-Day), Mariette Kotzé (Hortgro), Attie van Zyl (Two-a-Day), Mangi Ramabenyani (Free State Department of Agriculture: Chief Director Farmer Support and Development), Free State MEC for Agriculture, Saki Mokoena, Chris Petzer (Two-a-Day), Pitso Sekoto (front) and Nhlanhla Gumede at the back (both from Remmoho)



Bedryfsbesoek aan Ceres Fruit Growers



Ceres Fruit Growers is 100 years old



Woordfeespaneelbespreking: Calla du Toit, André Jooste, Jacques du Preez en Deon Joubert



Pear book launch: Henk Griessel, Buks and Ros Nel, Anton Rabe



Dr Mogale Sebopetsa receives the Transformation Award 2023



EGVV AGM: Ros Heyns, Glaudi Skog, James Hutton-Squire and Yvonne Erwee



Economic Development Committee: Cynthia Mahlathi, Mariette Kotzé, Raymond Koopstad and Janine van Rooy



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