

Transformation TIMES

Doubling the deciduous fruit industry by 2050

A Review of the DFDC SA July 2020 - Issue Five

Thembi's Talk- Notes from the CEO

Economic disruption and uncertainty comes as a consequence of a pandemic. The World Health Organisation also indicates that COVID-19 is not the first influenza to disrupt the economy, the Spanish Flu is recorded as having been the most severe one in the 20th century. But how the economy recovers post the pandemic is critical, state intervention is found to be at the centre, as the pillar to help industries recover.

An impact study (preliminary) was conducted on deciduous fruit producers, and the summary is captured in this issue. What has been noted with this pandemic and emergency responses, is that our deciduous fruit producers are the "missing-middle". They could not access funding or relief packages when government funding was made available for small scale producers, and yet funding in the open market was also not readily available for them, as markets are risk averse due to economic uncertainties.

In building the future, the focus is also on youth and farming. This issue covers Koue Bokkeveld Training Centre students, and based on their responses, there is appreciation that young minds can be a step ahead in responding to a pandemic.

The new normal has necessitated that we continue operating and delivering on the DFDC mandate and strengthening governance innovatively. For the first time the DFDC held a virtual AGM. Stakeholder relations and government engagements are held on virtual platforms, there is a level of efficiencies that has come as a result of the new normal.

In closing, I think I should highlight that leadership and organisations need to be agile to survive the crisis.

The DFDC remains committed to the course, moving forward we are reminded that "every disruption presents new opportunities".



Thembi Xaba, CEO

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The impact of Covid-19 and the lockdown

Based on the infection rate and the economic risks associated with COVID-19, an economic lockdown was enforced on 26 March 2020. In terms of the lockdown provisions and gazetted regulations, agriculture was exempted from the lockdown, however the industry was not immune against the economic shocks that came with COVID-19.

Amongst others:

- **Next season will incur high input costs, stretching cash strapped producers even further**
- **Bottlenecks, and closure on ports impacting on the export market**
- **Fruit landing in the local market is sold at low prices to move the stock**
- **Demand on apples going to Africa has come to a standstill**
- **Impact on job losses, reduced working hours, non-renewal of seasonal contracts will unfortunately contribute to the already high unemployment rate in SA, and**
- **Business continuity (sustainability) will be negatively affected.**

The following business variables are a summary of the anticipated impact:

Production

High input costs will be experienced next season, this necessitates producers to relook at business viability, which could result in reduced plantings (hectares). COVID-19 disease spread will have devastating effects on production, both from price economic shocks and labour mobility.

Revenue

Turnover is expected to be stable, more favourable for export markets as the exchange rate/rand weakens. The weakening rand, however, also presents its downfall as it is detrimental to local business. Input supplies and production costs will be more expensive, putting pressure on cash flow.

Job fragility

The lockdown has resulted in farms taking fewer seasonal workers, essentially to restrict people movement. Producers also considered to reduce the number of permanent workers to reduce the rate of infection on the farms. There is despair from both permanent and seasonal workers, wondering if they will be employed come next season.

Markets

Fortunately, most of the fruit was already harvested when the lockdown was pronounced and some producers indicated that their fruit was already packed for export markets. However, we cannot downplay the uncertainty of when, and if, all importing countries will open their ports in time. Fruit cannot be stored indefinitely. And fruit landing in the local market is sold at below selling price.



Sustainability

The above signals that business sustainability will be jeopardized. The triple down effect, from high input costs, to diverted markets, low selling prices, and revenue risk pose a threat on business sustainability and business continuity. Interesting to note from producer's inputs, was that the value chain segment seems to have been overshadowed by focusing on the primary level and markets. Nurseries are fundamental to the deciduous fruit industry's growth and it was highlighted that producers are already cancelling tree orders. This will reduce the number of units under production in the next season and beyond.

There is deep uncertainty even beyond year 2021. It has bearing on the extent to which deciduous fruit producers can continue operating, contributing towards food security, and create more jobs in the economy.

Fortunately, the Deciduous Fruit Development Chamber has learnt over the years that our farmers are resilient, inherently optimistic and are known to have survived many challenges. It's in their DNA.

We shall overcome

For the full impact study preliminary report, compiled by Dr Thembi Xaba: thembix@dfdcsa.org.za

Pay it forward with fruit

Over the last number of years a lot has happened in the world and certainly in South Africa. Since 1994 the much needed process of upliftment and equalisation got underway across the full spectrum. From sport to commerce, education and farming.

Of course this was, and still is, a learning curve, causing uncertainties and stress. In the sense of farming it soon became apparent that the new generation emerging black farmers were serious to become commercially successful farmers.



Chairman Ismail Motala in an animated discussion

They didn't expect or ask for any hand-outs but were open to getting help. Be it from established farmers, farmer-partners, the Department of Agriculture or donors. They listened and they learnt, grateful for the opportunity to work the earth until it bears fruit. Season by season these new farmers became old hands, going from strength to strength.

And then, along came Covid-19, figuratively and literally upsetting the apple cart, grinding the world almost to a total stop. But not the farmers. Donning masks and sanitising hands, they carried on producing. Because without food, the world will really end.

Going in lockdown saves lives. But saving lives means sacrifices. The worst of all is the huge hit on the economy. There are so many people out there who never had it very good. Now it is getting worse. It seems that nobody can really do anything about ridding the world of this novel coronavirus, but a lot can be done to rid people of hunger.

In response to the call by President Cyril Ramaphosa for organisations to contribute towards Covid-19 relief interventions, a spark of an idea got the transformation division of Hortgro, the Deciduous Fruit Development Chamber's (DFDC) CEO Dr Thembi Xaba, the chairman, Ismail Motata, as well as representatives of the African Farmers of South Africa (AFASA) and the Western Province Department of Agriculture together in a virtual stay safe think scrum. In no time a host of farmers pledged to get on board, paying it forward with their fruit.

The contributors are Klein Ezeljacht, Protea Farms, Klipfontein Farms, D&M Packhouse, Motata Farming, Wolseley Fruit Packers, Witzenberf Emerging Farmers, Elandsrivier Farms, Merino Farms, Trevor's Farm, Core Export Company, La Vouere Farm and Kaapschon Farms.



The team smiling (we hope) for the camera

The date for the project was set for 23 April 2020 at 14h00. Venue: Derich Priga's D&M Marketing packhouse on Klipfontein Farm, Vyeboom. The contribution: 12 tons of fresh fruit packed into 12 000 bags to be distributed to the hungry and the homeless.

"While this intervention may not address all the socio-economic conditions that the country is faced with, it serves as the initial platform for future engagements with like-minded partners on how to better respond to disaster as a collective," Dr Thembi Xaba said.

It was awesome to see the enthusiasm and eagerness of the small number of delegates congregating at D&M Packhouse. All adhering to social distancing and wearing masks.

Ismail Motala thanked the people for coming and for respecting the regulations.

“We recognize our role as black producers in our country. The farmers of the DFDC are thinking beyond the bank account but also thinking about our country; the future of our people. It is critical at this time. Our country has been there for us over the last 25 years. We have become the privileged. Now it is time to give back to those who are not,” he said.

Adding to Ismail’s message, Dr Mogale Sebopetsa, Head of the Western Cape Department of Agriculture said: “The Western Cape Department of Agriculture welcomes this donation by the DFDC. This will go a long way in addressing the food and nutrition security challenges facing our community. Remember, the time is always right to do the right thing. A number of these contributing farmers have been supported by the Department and it’s exciting to see them now giving back to communities. We are indeed better together.”

Another key player in this unique event is Gift of the Givers. The Foundation is the largest disaster response non-governmental organisation of African origin on the African continent. The essence of their existence is to bring hope and restore dignity to the most vulnerable. It all started 30 years ago when Dr Imtiaz Sooliman had a calling and left his medical practice in Turkey, returning to South Africa to head to the calling. Gift of the Givers have to date managed R2,8 million in aid in 43 African countries.

No cry for need is too big or small for them one realised as the neat truck pulled into the dispatch area of D&M’s packhouse. Time was of the essence and everybody got to work immediately. The Gift of the Givers guys started cleaning the inside of the truck. Chairman Ismael Motala gave a hand by clearing old wrappers from the truck. Everybody was scuttling around keeping their distance. Masked forklift drivers zoomed around loading multi-layered boxes of apples and pears. Voiced instructions were muffled by masks. Everything resembled a scene from some kind of Stephen King disaster movie. But it was no movie ...



Behind the mask: Ismail Motala



This unique event started at 14h00. Just over an hour later the talking and walking was done. The truck was ready to roll. Time is important. Time is money. But also, the less time together, the better to protect oneself against Covid-19.

As the truck disappeared in a cloud of dust, a small group of farmers watched it leave, standing respectfully not too close together, although they would have loved to shake hands. Inside that truck was a piece of everyone's soul.

**The fruit of their labour.
Food in the time of Corona.**



INDUSTRY

- COPING WITH CORONA



NEWS

No matter if you're an emerging, established or retired farmer, Covid-19 does not distinguish. The new normal is here for everyone. And as President Ramaphosa recently said, coping with it is now in our own hands. To establish the new way ahead for the future of fruit farming, we spoke to representatives in Langkloof, Ceres and the EGJV areas to see how they're doing it.

How do you cope at present?

"We have 21 permanent employees at the moment and are only busy with pruning. They know all the protocols, and pruning by nature, falls within the definition of social distancing."

- Sewis van der Horst
Loufontein, EGJV district.

"Our strategy is to conclude as much as possible of the winter work as quickly as possible. We basically started pruning most varieties directly after the harvest and I realised we can keep doing it in future too, Covid or no Covid. Where we used to prune in winter and summer, the new way saves a lot of time and money!"

- Brandt Blom
Morceaux, Ceres.

"We try and keep everything as close to normal as possible, but with all protocols in place. Contact and entry to the farm from outsiders are being kept to the absolute minimum."

- Ricardo du Preez
Haarlem, Langkloof.



What is the labour situation at present and for the future?

“The plan is to get a pruning team of 16 temporary workers in on 6 July 2020. We will let them understand beforehand that their vehicle will be sanitised, they’ll be screened with temperatures taken as well as having to comply to all the other national guidelines of fighting the pandemic.”

- Sewis van der Horst
Loufontein, EGW district.

“If there is a peak in September, we have geared ourselves to cope with our small labour force because all winter work will be up to date. If the curve has not flattened by January, harvesting will be a challenge. We’ll cross that bridge then if we need to. There’s always a plan.”

- Brandt Blom
Morceaux, Ceres.

“There are no more seasonal workers on the farm. We have 40 permanent staff and will cope in the future.”

- Ricardo du Preez
Haarlem, Langkloof.

What are your contingency plans and precautions to handle an outbreak?

“Apart from the regular washing of hands, sanitising, temperature gauging, the wearing of masks, plus keeping social distances, we have information pamphlets everywhere and will contact the emergency number as soon as an employer registers a higher than acceptable temperature. We will isolate that person and follow the protocols as prescribed by the government and the information supplied by Hortgro.”

- Sewis van der Horst
Loufontein, EGW district.

“If someone has a high temperature and show signs of possible symptoms, we will immediately isolate and arrange for the person to be tested. We’ll identify who was in contact and report it to the Covid helpline. Should the test be positive, everyone who was in contact should self-isolate for 14 days and monitor symptoms. “We are fortunate as yet, but should there be a positive testing, it will have an influence on productivity. We work with seasonal workers from high risk areas, but if you follow all the protocols stringently it creates a sense of security with your workers. They all realise they are responsible to safeguard themselves against the virus and in doing so looking after their co-workers at the same time.”

- Brandt Blom
Morceaux, Ceres.

“It will be handled according to the prescribed protocols. Fortunately we are only in the orchards now where social distancing comes naturally. Should an employer test positive, it will be handled according to the Worker’s Compensation Assistance. Then the rest of the team will be screened and those who were in contact, must be isolated. If need be, there is temporary labour available to come and help.

“The best prevention is constant awareness. We talk about the symptoms, prevention and spreading of the virus. Our workers are well-informed and take the safety precautions serious.”

- Ricardo du Preez
Haarlem, Langkloof.



The upheaval that Covid-19 has caused in 2020 has the ability to be disheartening. However, seeing people take responsibility and, like our farmers, having a positive attitude to overcome it, on the other hand, is heartening. The government, the medical profession and scientists out there are doing everything possible to curb Corona. However, it is ultimately in each one of us' own hands. And although we cannot literally take hands for now, we are figuratively lending a hand wherever we can. One cannot help but be reminded of Jack Johnson's great song, "My own two hands":

**I CAN CHANGE THE WORLD, WITH MY OWN TWO HANDS
MAKE IT A BETTER PLACE, WITH MY OWN TWO HANDS
I'M GONNA MAKE IT A BRIGHTER PLACE,
I'M GONNA MAKE IT A SAFER PLACE,
I'M GONNA HELP THE HUMAN RACE,
WITH MY OWN TWO HANDS.
NOW I CAN HOLD YOU, IN MY OWN TWO HANDS
AND I CAN COMFORT YOU, WITH MY OWN TWO HANDS
BUT YOU ALSO GOT TO USE, USE YOUR OWN TWO HANDS
USE YOUR OWN, USE YOUR OWN TWO HANDS ...**

A Zoom in on the AGM

- 1 July 2020

The Deciduous Fruit Development Chamber held its annual AGM on 1 July 2020. Due to the current Covid-19 pandemic restrictions the meeting was completely virtual, the first of its kind with deep appreciation that the DFDC needs to continue with its governance processes despite travel restrictions.

Clusters that participated were Langkloof, Witzenberg, EGVV and Mpumalanga. In terms of the provisions of the Memorandum of Incorporation (MoI), directors are nominated through cluster AGMs and nominations are ratified at the DFDC AGM where all the clusters vote on resolutions and special resolutions proposed by clusters.

The following members were ratified and were hereby elected as directors:

Mpumalanga cluster
Ms Zodwa Nkosi

Langkloof
Mr Ricardo du Preez

EGVV
Mr Errol April

Witzenberg
Mr Ismail Motala

What has been significant is the DFDC ambition to continue to strengthen governance, aligning to the Companies Act of 2008 and King IV Codes. The AGM ratified two sub-committees and their members.

Human Resources and Remuneration Committee:

- Mr Job Mthombeni
- Mr Uthmaan Rhoda

Audit, Risk and Governance Committee:

- Mr Elton Jefthas
- Mr Pitso Sekhoto

The DFDC board welcomed the new directors, and appreciated the sub-committees ratification. Governance is now embedded in the DFDC leadership. The Development Chamber is ready for the new normal.



Plan B to fight C at KBOS

The essence of transformation is education and Koue Bokkeveld Training Centre in the Witzenberg district is an absolute key agricultural institution in this regard. So when the pandemic hit and the lockdown was announced, they had to think fast, smart and out of the box.

Students universally fall into two categories: those who'll bend the rules to work as little as possible and those who cannot learn enough quick enough. The first lot immediately went into "holiday mode" when the pandemic forced academic institutions to close. The second lot immediately wanted to know how do they carry on learning now?

"When South Africa locked down, we immediately called our member farms to find out if they're ok and how they feel about going on training under these circumstances. They were more than keen. Their input was like gold; without it we wouldn't have had a clue,"
Samantha Gibb said.

Based on the students' responses they relooked their program to see how they can go ahead with the courses on the initial year plan, honouring all the hygienic and other Covid fighting regulations. This was their immediate plan:

1. Move as many courses as possible to after winter (this is the KOUE Bokkeveld after all and Covid operates in cold).
2. Reduce student groups to a maximum of 10, all wearing masks, sanitising and keeping 1,5 metre social distance. Wherever possible classes are outside.
3. When and where possible, tutors go to the farms, rather than students coming to the centre.
4. Classrooms are sanitised at least twice a day and every lecture is preceded by a lecture on basic Covid 19 protective measures: temperature gauging, wearing masks, sanitising and social distancing.
5. Blended learning is the way ahead. KBOS sends the study material to the students on the farms where they do the theory whereafter practical sessions are offered, including all health regulations, of course.
6. They are presently negotiating with Agri Colleges International to offer as much as possible of their NQF4 qualification online.

“The blended learning approach to education online combined with traditional place-based classroom methods, requiring the physical presence of both teacher and student, with some elements of student control is, just like the Covid-19 pandemic, new to most of us,” added Joy van Biljon, the originator of KBOS. “As part of our strategy we are offering a workshop to our presenters. Zoom, Skype and WhatsApp are becoming teaching tools. Many of our students are cell phone savvy. They are ready for the adaptations we are forced to make now. It's very exciting,” she explained.

At present KBOS are managing the whole situation day by day. They are carefully watching the Covid figures, do everything they can to stay healthy, safe and sane while looking and hoping for the new normal. They believe we'll get to the other side, although we might not know what that looks like. What the agricultural industry will be like post Covid is unpredictable.

**BUT WHATEVER THE
FUTURE HOLDS IN STORE,
THEY NOW, MORE THAN
EVER, BELIEVE THAT
TRAINING IS KEY.**

