

FROM THE DESK OF THE CEO (11/24)

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Justin Chadwick 15 March 2024



“The cure for anything is salt water – sweat, tears or the sea” Isak Dinesen

PORT INDABA

Last week Friday about eighty growers, service providers and interested parties gathered in Pretoria to attend the CGA Port Indaba. Initiated by the Grapefruit Focus Group, the Port Indaba was convened to test the readiness of southern African ports for the 2024 season, and to take a more detailed look at the strategy for port efficiency in handling the anticipated growth in citrus export volumes.

The Indaba was initiated as an opportunity for all delegates to discuss and debate these issues. To set the scene, it was decided to have four short presentations.

Krish Reddy from Business for South Africa presented on the National Logistics Crisis Committee (NLCC), sharing with delegates the work that business is doing with government in addressing the logistics crisis. The fact that it is called a “crisis” committee shows that government and business agree that the country is facing a serious threat. The fruit industry has been warning about this threat for some time. It is estimated that the logistics crisis is costing the South African economy R1 billion per day – clearly it needs to be resolved urgently. Business’s role in the NLCC is to provide technical expertise, assist with implementation of best practice, offer alternative funding mechanisms, give access to resources and skills, and bring together diverse stakeholders.

Theo Boshoff from AGBIZ then unpacked the various legal and regulatory aspects of the port environment. With cargo owners facing damages in the past – most acutely felt by perishable product exporters – the fruit industries met in January 2024 to discuss these issues. Theo provided feedback on these meetings.

It is important that different sectors of the economy learn from each other, and it is equally important that different fruit sector bodies learn from each other. AJ Griesel, CEO of the SA Table Grape Industry (SATI), gave feedback on the recent table grape season and plans to improve logistics in the future. The idea of modelling fruit flows and having early warning systems about potential blockages, while readying remedial action, is something that CGA is busy with in preparation for the 2024 citrus season.

Finally, Mitchell Brooke gave a thorough assessment of the readiness of southern African ports. He reported on the present equipment available at each port. He then showed what the ideal situation would be at each port, before detailing what is included in the Transnet procurement plan. This analysis showed the gaps that exist for the 2024 season, as well as the next two years.

These presentations will be sent to all delegates. The presentations were followed by discussions on the information presented, and debate on the readiness as well as the longer term outlook. A full report and action plan is being developed.

In terms of readiness for the 2024 season there is a fair amount of concern regarding the ability of Durban port to handle the anticipated 2024 crop. The greatest risk is that of equipment failure. It is well known that the port is under-capacitated in terms of equipment, and that some equipment is aged and prone to breakdowns. We will need to monitor the operations carefully and advise growers as the season unfolds. Fortunately, Mitchell has established a network at Transnet, allowing the industry real-time information. The industry has worked closely with Transnet port staff in the past – the 2023 season went off well as a result of this close relationship.

The longer term solution is the roll-out of public sector participation in all ports. It is particularly pleasing to hear that the Transnet Board have approved the joint venture partnership with International Container Terminal Services Inc. (ICTSI). It would seem that the launch date of 1 April 2024 may be pushed back – all involved are urged to finalise arrangements without delay so that incremental improvements can start.

THE CGA GROUP (CRI, RIVER BIOSCIENCE, XSIT, CGA CULTIVAR COMPANY, CGA GROWER DEVELOPMENT COMPANY & CITRUS ACADEMY) ARE SUPPORTED BY AND WORK FOR THE CITRUS GROWERS' ASSOCIATION OF SOUTH AFRICA