

Chairman's Report

Avocado season 2002

Last year, I started my Chairman's Report with the comment "This season like so many of its predecessors was one of some surprises, and some extremes: That much about avocados seems predictable". It seems just as apt this year around! But dare I say that we are learning to exercise some control over the unpredictability. Last year we faced a short crop and prospects for good prices. This year we anticipated at 10,7 million cartons the fourth biggest crop ever for our industry. In addition, both Spain and Israel had a huge crop and the Kenyan crop was reported to be substantial. If history were to repeat itself, we could expect a re-run of the 2000 season, which was characterised by erratic over-supply and on occasion disastrous returns.

By contrast the 2002 season started slowly but with acceptable, if not exciting returns, and ended with some of the best prices we have ever seen. We firmly believe that the difference between 2000 and 2002 has been the effort put into volume co-ordination on an international level with the other countries of origin.

Overview

South Africa exported in total 10,6 million trays: 32% to France, 26% to the UK, 12% to Germany and 30% to the rest of Europe. The variety distribution shows Fuerte sold 34% in France, 27% in the UK, 11% in Germany and 28% in the rest of Europe. Hass was sold 34% in France, 33% in the UK, 2% in Germany and 22% in the rest of Europe. Pinkerton was sold 33% in Germany, 2% in France and the balance in the rest of Europe. Ryan was almost evenly distributed in the UK, France, Germany and the rest of Europe.

Logistics

Logistics showed an improvement over the

prior season, with delays in Durban considerably shorter than previous years. The one disappointment was that the Spoornet service from the Nelspruit / Kiepersol area was not successful. Arrangements were only concluded several weeks into the season by which time most exporters had made alternate arrangements, and the service was further impaired by train breakdowns in the first three weeks. The RSA road service saw increased use of door-to-door containers loaded at the packhouse and transported with a Genset to the ports. The midweek sailings functioned well and provided a viable additional sailing opportunity.

Technical

The drive on food safety by UK retailers has further intensified and the South African growers and packhouses have risen to the challenge. What is encouraging is the view held by pre-packers in the UK that South Africans have taken the food safety issues seriously, and have differentiated themselves from other countries of origin by the progress they have made on this front.

A major thrust for the extension officers has been to assist growers and packhouses in coming up to speed with EurepGap, GMP and food safety requirements. To this end both officers have received training and certification and have rendered invaluable advice to our growers. The emphasis on market access to the USA took a new direction and less money and effort was committed to the political aspects, and SAAGA's technical staff have focussed on the phytosanitary requirements and the mitigation procedures.

Research

Research projects approved by the Technical Committee and addressed were in particular:

- fruit quality issues with reference to nutrition;
- integrated pest management in keeping with EurepGap;
- new cultivars and rootstocks; and
- postharvest treatments.

A new threat on the horizon is the possibility of benomyl being withdrawn, which would greatly complicate Cercospora control.

The Temperature Committee adopted the same approach as in the previous year, by inviting contributors with special knowledge of various aspects of postharvest treatment and will undergo further commercial trials in the coming season. An alternative approach to controlled atmosphere storage looks to have exciting prospects. The Overseas Technical Officer provided valuable information on fruit arrivals and this was followed up with individual visits to growers and packhouses in the five production areas.

Government

The Executive Director continued to engage with various official departments and related institutions. While progress at national level appears slow, in that government policy is to involve as broad cross section of stakeholders as possible, SAAGA has taken the view that we have to remain actively engaged with these departments. There is money set aside for industry initiatives and accessing these funds would provide a welcome addition to grower levies in particular, for market development. At a local level, progress has been much more encouraging with active support from the Limpopo Province.

International co-operation

The agreement brokered by SAAGA at the Avocado Marketing and Promotion Working Group in Spain, delivered everything that was expected of it in terms of managing the volumes from RSA, Kenya, Spain and Israel. In only one week of the season did volumes materially exceed the plan. This was immediately picked up, a cut-back was recom-

mended for the succeeding picking week and a correction was effected immediately. The co-operation from South African growers, packers and exporters was impressive and at the heart of the success of the campaign. The gains to you, the South African grower, were estimated at forty three million rands, compared to the 2000 season. The benefits were not restricted to South Africa, and the participants present at this year's meeting included in addition Argentine, Chile, Peru and Australia. New Zealand too has now expressed interest in joining the initiative. We were able to tick off the first five of the seven objectives. For the the coming season the focus will be to maintain the current momentum and to address the issue of collecting funds from each participating country in order to set up joint market development initiatives for 2004.

Market development

The issue of whether or not to continue with market development, received intense debate during a road-show through the growing regions. This was set up as a preliminary to a Special General Meeting held to decide on whether or not SAAGA should be involved in market development, and whether or not growers would accept an increase in levy to provide 30 cents per export tray for this purpose. The result was resounding support for continued development, and an increase of levy to 60 cents per export tray was supported. The promotion programmes in the UK and on the domestic scene continued to be based largely on advertorials, and to extol the benefits of avocados as a healthy eating alternative, and with exciting opportunities in creative meals.

Financial

As reported in the financial statements, SAAGA was almost able to break even for the year. Of major concern is that we were not able to add to our reserves, and we are facing a short crop for next season. The in-

crease in levy will alleviate the position slightly, and reduction in expenses made possible by reduced running costs and less money committed to the USA market access initiative will result in another break-even year. Clearly the position is not sustainable in the long term, and SAAGA will be actively engaged in looking for additional sources of funding outside the levy collection.

Staff

As previously announced, SAAGA's Executive Director, Chris Keevy has tendered his resignation after six years service. During his stewardship we saw many changes brought to the industry, particularly in the increased focus on market development and advances in international co-operation. We thank him for his valuable contribution to our industry and wish him all success in his new venture.

The Board has reviewed the staffing needs in great depth, and we are pleased to an-

nounce that we have appointed Derek Donkin as General Manager of SAAGA. We are confident that Derek has the credentials to manage the Association and to carry on the programmes that we are currently pursuing – in particular the international co-operation initiatives.

Acknowledgements

My sincere thanks go to SAAGA's staff for their efforts and dedication throughout the year to provide their growers with an outstanding service.

To my fellow board members – again my sincere thanks for your support and contributions during my two years as Chairman. It has been a pleasure and a privilege to work with you, and the Industry and it's growers are fortunate to be served by people of your experience and judgement. Thank you.

Nic Reay