

CHAIRMAN'S REPORT 2025

South African Avocado Growers' Association (SAAGA) Annual General Meeting 2025

I am privileged to present this report highlighting the significant developments and achievements of our association over the past year.



Edrean Ernst

Financial performance and stability

I am pleased to report that SAAGA has maintained a strong financial position throughout 2024. This robust performance was supported by export volumes exceeding our budget by over 1 million cartons, demonstrating the growing strength of our industry. Our prudent financial management has ensured we maintain adequate reserves while continuing to invest in critical industry initiatives.

Market access and international trade

2024 has been a landmark year for market access achievements. Through persistent effort and strategic engagement, we have successfully established protocols for exports to China, Japan, and India. The first shipments to these markets mark a significant milestone in our industry's growth. Particularly noteworthy is our success in China, where we not only gained market access but also achieved a substantial permanent reduction in import tariffs from 25% to 7%. This remarkable development significantly improves the competitiveness of South African avocados in the Chinese market and demonstrates the effectiveness of our market access initiatives.

We are also especially proud of our successful entry into the Japanese market, achieved through a collaborative trial shipment between SAAGA and Westfalia Marketing. This collaborative approach exemplifies how industry cooperation can lead to significant breakthroughs. The successful arrival and positive reception of our first shipment to Japan demonstrates the high quality of South African avocados and opens up exciting opportunities in this premium market. SAAGA and the Citrus Growers' Association's joint initiative

in hosting Japanese officials for pre-clearance inspections further illustrates the value of inter industry collaboration in achieving market access goals.

In India, our engagement with QuikRelations proved highly effective in facilitating access to the Indian market, with their work significantly contributing to the finalisation of import conditions. While certain markets, such as India with its 30% tariff, still maintain restrictive trade barriers, our success in China provides a possible model for future negotiations. SAAGA continues to work closely with Fruit SA and the Department of Trade, Industry, and Competition to explore agricultural value chain Preferential Trade Agreements as a potential solution for reducing remaining barriers in other markets.

Quality management and industry standards

A significant challenge we faced in 2024 was the growing concern about the perception of South African avocado quality in our export markets, particularly in Europe. While shipping delays emerged as a major contributing factor, we recognised the need for a comprehensive industry response.

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To address this, SAAGA commissioned an independent quality assessment study in European markets and, based on these findings, developed strategic guidelines that address the entire value chain - from orchard practices through to shipping procedures. These guidelines provide practical standards for pre-harvest management, post-harvest handling, packhouse procedures, and logistics.

Implementation is being supported through our technical team, study groups, and direct communication with growers, exporters, and packhouses. This coordinated approach demonstrates our commitment to maintaining South Africa's reputation as a supplier of premium avocados, and we will continue to monitor progress as these measures are implemented.

I urge all members to recognise that the reputation of South African avocados in international markets rests on our collective commitment to quality. Your individual adherence to these guidelines not only benefits your operations but strengthens our industry's position globally. The retention of our current markets and the future success of our market access initiatives depends heavily on our ability to consistently deliver premium quality fruit to all markets.

Research and technical support

SAAGA continues to invest significantly in research that directly benefits our members. Our research portfolio, with a budget of R6 million, covers essential areas including disease management and pest control, post-harvest handling improvements, climate adaptation strategies, and rootstock development. The breadth of this research reflects our commitment to addressing both immediate industry challenges and long-term sustainability concerns.

Our technical team has enhanced its support to

members, with each horticulturist now conducting twelve farm visits monthly, ensuring coverage of 65-80% of grower members annually and 80-90% within a two-year cycle. This increased on-the-ground presence allows us to provide more immediate and practical support to our members while ensuring the effective transfer of research findings into practice.

Transformation and industry development

Our commitment to industry transformation remains strong through several key initiatives. We continue to provide targeted technical assistance to emerging farmers while maintaining productive collaborations with LDARD and NAMC on the AAMP initiative. The ongoing support for the RecruitAgri programme continues to foster new talent in both farming and processing sectors. We have also seen encouraging progress in strategic partnerships between established companies and emerging farmer communities. These initiatives collectively demonstrate our industry's commitment to inclusive growth and development.

Local market development

Our commitment to developing the domestic market remains steadfast and strategic. Throughout 2024, we maintained a focused approach to local market development through our partnership with Protactic. The timing of our promotional activities was carefully aligned with peak harvest periods, particularly during March to May, when South African growers are preparing for export markets and volumes are highest.

Recognising the strategic importance of the domestic market, the Board has demonstrated flexibility in providing additional funding when opportunities arise to maximise impact. This approach has allowed us to capitalise on strategic opportunities throughout the year, ensuring consistent market presence and consumer engagement. The Local Market Development Committee maintains active oversight of these initiatives through regular meetings and strategic planning sessions.

Looking ahead to 2025, we are strengthening our consumer engagement with initiatives such as a media launch event planned for Cape Town. This continued investment in local market development reflects our understanding of the domestic market's vital role in our industry's sustainability and growth. As production volumes continue to increase, particularly in regions like the Southern and Western Cape, a strong domestic market becomes increasingly important for our industry's long-term success.





Organizational development and staff enhancement

A significant development this year has been our progress toward converting SAAGA from a voluntary association to a non-profit company (NPC). This transition, targeted for March 2025, will strengthen our governance structures and enhance our ability to serve members effectively.

A key strategic development has been the evolution of our Websites and Publications Administrator role into a new Communication and Information Specialist position. This restructuring reflects our recognition that effective communication is crucial for our industry. The new role goes beyond traditional information management, focusing specifically on how we present and deliver technical information, research findings, market updates, and industry developments to our members. By transforming complex information into clear, actionable insights, this enhanced communication capability will enable members to make more informed decisions and better utilise SAAGA's resources and services. The position represents our commitment to not just collecting and sharing information, but ensuring it reaches our members in the most effective and valuable format possible.

World Avocado Congress 2027

I am delighted to report that South Africa's preparations to host the World Avocado Congress in September 2027 are advancing with remarkable momentum. Under the guidance of our appointed professional conference organisers, Scatterlings of Africa, we have already secured commitments from several major sponsors, including our conference partner. The enthusiastic response reflects the global industry's recognition of South Africa as a leading avocado producer.

This prestigious event presents a unique opportunity to showcase our industry's advancement and innovation to the world. Coming at a time when South African avocados are gaining prominence in new markets, the congress will not only demonstrate our technical and research capabilities but also create

valuable networking opportunities for our members. We look forward to hosting the global avocado community and showing them why South Africa is becoming an ever increasingly important player in the international avocado industry.

Personal reflection

As this marks my final report as Chairman of SAAGA, I would like to take a moment to express my profound gratitude for the privilege of serving this organisation and its members. Over my tenure, I have witnessed the remarkable resilience and innovative spirit of our industry, as we have collectively navigated challenges and seized new opportunities. The progress we have achieved together - from expanding into new markets to strengthening our research capabilities and industry support structures - reflects the commitment and collaborative spirit of our membership. I am indeed fortunate to work within an industry such as this one.

Acknowledgments

I extend my sincere gratitude to our board members, management team, and staff for their dedication and hard work throughout the year. Your support has been invaluable in steering SAAGA through both challenges and opportunities. To our members, thank you for your trust, engagement, and continuous commitment to excellence in our industry. As I hand over the chairmanship to Hans Boyum, I am confident that SAAGA will continue to grow and thrive under his capable leadership, building on our shared foundation of cooperation and innovation.

With gratitude and best wishes,

Edrean Ernst

Chairman, South African Avocado Growers' Association (SAAGA)