

CHAIRMAN'S REPORT / VOORSITTERSVERSLAG

SAAGA 2016

Dit is my voorreg om ons Hemelse Vader te bedank: *Dankie Vader vir ons wonderlike avokadobedryf; dankie vir U seëninge; sal U asseblief hulle wat hard getref is deur droogte, storms en hael vertrou en hulle weer optel uit die stof. Dankie dat ons aan U kan vashou en dat U ons nooit in die steek sal laat of verlaat nie.*

The 2015 season ended as one of the driest years of the century and the 2016 season started with turmoil. Our hearts go out to the people effected by the drought and then by hail in February, 2016. It will have a negative effect on every farmer, their families and work force. The prediction is that the hail in the Letaba area will reduce the export crop with about 1,7 million cartons. SAAGA's reserve fund policy made provision that the industry is better prepared to absorb this huge set back.

SAAGA is constantly seeking opportunities to serve the industry in the best possible way. At a strategic think tank held on 22 October 2013, key focus areas were defined, as summarised in Table 1. This provides members with a better understanding of the different services that SAAGA offers its members.

Because of the reserve fund policy that SAAGA adopted a few years ago, the export and local levies did not have to increase with the inflation rate (Figure 3).

The worldwide increase in consumption of avocados is very encouraging. The current exchange rate makes avocado exports very profitable but it may pose as a risk to the industry if the rand starts to strengthen again. The growing demand worldwide for avocados could be a sustainable counter for this risk. It will be a price driver and could support our industry.

Dit is baie belangrik dat produsente steeds alles in hulle vermoë sal doen om hul produksie per hektaar te verbeter. Die swak rand dra daartoe by dat produsente steeds winsgewend kan boer met marginale produksie per hektaar. Dit kan egter riskant wees indien boere nie op alle produksieprosesse konsentreer vir beter produksie nie. SAAGA staan boere by om deur middel van studiegroepe en navorsing, die belangrikheid van goeie produksie te bevorder.

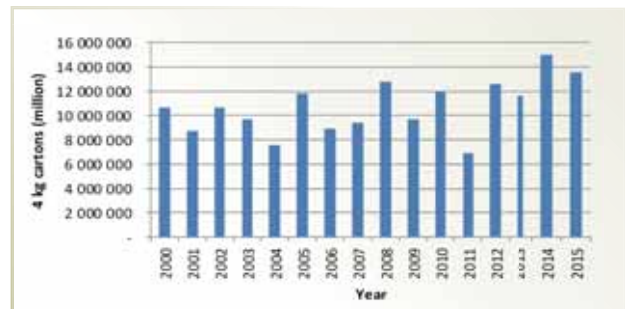


Figure 1. South African avocado exports 2000-2015.



Figure 2. SAAGA expenditure in 2015/16.

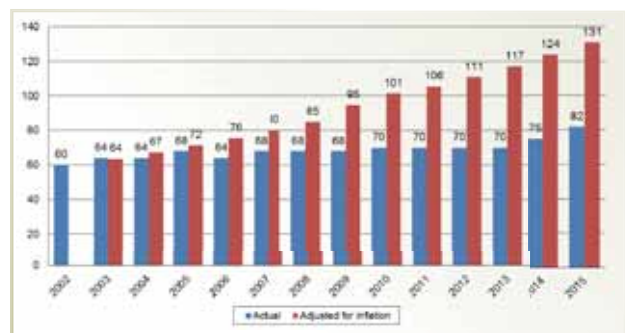


Figure 3.



Table 1. SAAGA's key focus areas.

Production support	Liaison and communication	Market access and development (gain, retain, optimise)
<p>1. Increase yield Maintain / improve quality Control costs</p> <ul style="list-style-type: none"> • Benchmarking • Best practices • Technical advisors • Study groups • Technical research (production and post-harvest) <p>2. Develop skills pipeline for industry</p>	<p>1. Improve communication with members</p> <p>2. Gathering and dissemination of info (local and international)</p> <p>3. Lobbying for market access</p> <p>4. Coordination and facilitation of role players around relevant industry affairs to increase competitiveness of industry</p> <p>5. Connect avocado industry to government's objectives (National Development Plan). Get government to look good and feel good about itself. This will improve government support of the industry.</p> <p>6. Feed off individual successes for the good of the industry. Highlight these successes</p>	<p>1. Identify and prioritise new markets that should be accessed – e.g. USA, China, Japan. Develop and implement a market access strategy.</p> <p>2. Ensure sustainable growth in current markets. Grow SA market. Maintain EU market through technical compliance, and reliability in terms of quality and supply.</p> <p>3. Tell the good stories in the avocado industry.</p>

The growing demand is also a stimulus for new markets. SAAGA is leaving no stone unturned to open up new markets to SA avocados. The Japanese may be enjoying SA avocados in 2016 already and potentially the USA in 2017. China will also consider importing SA avocados soon after allowing SA pears into their country.

Despite the current difficult farming conditions, the industry can look forward with great expectation to the exciting times ahead of us. We should not hesitate to plant more orchards and grow our industry.

Dit is egter kommerwekkend dat kwekerye nie aan die groot vraag vir avokadobome van goeie gehalte kan voorsien nie.

Die waglys vir bome is tans meer as twee jaar. Dit is noodsaaklik dat SAAGA saam met geregistreerde kwekerye strategies vir hierdie vinnig groeiende mark moet beplan.

In conclusion I would like to thank the SAAGA Board members for their unselfish hard work. Thank you very much to Derek Donkin and the Subtrop staff for the hard work and dedication in serving the avocado industry. Without this, we as farmers could not farm and concentrate on our primary function to produce good quality avocados.

Thank you to all the loyal producers that take part in this voluntary organisation, which I see as the best in the world. May the Lord bless everyone and the season ahead.

Kosie Eloff



SAAGA appreciates the hard work of the dedicated Subtrop staff and CEO Derek Donkin's leadership in serving the avocado industry, without which farmers could not focus on their primary function.

