FROM THE DESK OF THE CEO (04/10)

Justin Chadwick (29 January 2010)

QUOTE OF THE WEEK "*Three Rules of Work: Out of clutter find simplicity; From discord find harmony; In the middle of difficulty lies opportunity." Albert Einstein*

CLARITY – LAST WEEK'S NEWSLETTER

Who says growers aren't sharp – after last week's newsletter a grower phoned to say that he was confused as to two statements from the consumer research – "Very few knew anything about South Africa", and "There was a request for more information about the source of the fruit – how was it produced, what development programs are the fruit industries busy with etc etc.". Why did consumers want this information when they knew nothing about South Africa? Let me explain. The issue on information with regard to production practices came about during a discussion about Fair Trade (and not South Africa in particular). Almost all of the focus group knew what Fair Trade meant, and that it related to worker welfare. They also felt that it usually meant higher priced produce, and in the present economic climate they had to think about themselves first!! However, some wanted information on worker welfare, development programs etc.

SMALL GROWER MISERY

The citrus industry in South Africa is made up of a full spectrum of farm sizes, from a few hectares to hundreds of hectares. This past week a grower from the smaller scale end of the spectrum phoned to tell me that he was ripping out his citrus. It caused him great distress as the trees were still yielding excellent volumes of good quality fruit, they had added to the bottom line in the past, and they had provided employment to a number of people. BUT the number of compliance audits and certifications that he was required to meet meant that all his profit was being eroded and his small citrus enterprise was becoming unprofitable. Talks of new ethical audits were the straw that broke the camel's back. He really cannot afford another certification cost, and pointed out that our progressive labour legislation should be enough to appease retailer's and consumer's concerns about worker welfare. It would be better for workers if these retailers/consumers started paying better prices to suppliers and reduced compliance costs so that employment could be secured for more South Africans. And when supplies are short these retailers source from all and sundry – and there is no benefit to being accredited. In fact we have it on good authority that one of the biggest retailers requires certain certification in South Africa but not from other countries from whom they source fruit – where's the ethics and fairness in that?

And at the same time black growers are being encouraged to join the fruit industries, with the high entry costs (fruit farms are not cheap) meaning that in most cases these growers will be farming on smaller farms, thus facing the added costs and lower profits that my telephone caller was complaining about.

For years growers have been asking us to address this issue – we have raised it in SHAFFE, with government and in various other forums. Calls have been made to retailers to harmonise on standards – to have single inspection/multiple audits. But we have failed – retailers continue to try and differentiate themselves by their own, superior accreditation scheme, growers continue to face higher costs to comply and be inspected with no benefit, and consumers lose through mixed messages and in some cases higher prices. The arrogance of retailers is frightening – a small group representing supplier interests traveled to Amsterdam a few years back to address a retailer representative body about what this proliferation of standards was doing to suppliers – I had been invited as the then SHAFFE president. The retailers made it clear that we had a short time with them, half way through our opening presentation they interrupted, said they were not interested in discussing these things with us and showed us the door!!! It was obvious that they considered themselves ALL POWERFUL. But are they? Surely if they have no product they have a problem? Are we so independent as suppliers that we cannot get together to address this issue collectively? In SHAFFE we had a meeting and all members were adamant that we should address the issue, that we should go to the EU Competition Commission or the UK Office of Free Trade and make them aware of the abuse. Everybody in the meeting agreed that this was the way to go. So we agreed that we should all put the agreement to approach these authorities on our letterheads to show commitment – and suddenly over half of the members cited a number of reasons why they could not do that. In essence this was fear of victimization – so the abuse of dominance was never confronted – so who has the power?

REMINDERS

Quick reminders – packhouse workshops Limpopo 9/10 Feb; Mpumalanga 11/12 Feb; KZN Swaziland 15/16 Feb; Eastern Cape 17/18 Feb; Western Cape 23/24 February [Info on venue, time, agenda on www.cga.co.za].
Grapefruit growers are asked to comment to NAMC on levy application by 5 Feb [details on www.cga.co.za].
CGA Road shows – Nkwaleni on Tuesday 2 February 2010; other regions first two weeks in March – dates to follow.