

# FROM THE DESK OF THE CEO (41/20)

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Justin Chadwick 9 October 2020



““Vision without action is a day dream, Action without vision is a nightmare.” *Japanese Proverb*

## MILESTONES ACHIEVED IN 2020 AMIDST COVID-19 REGULATION AND KEY LEARNINGS

Despite the impact of the Covid-19 regulations on the logistics chain, a number of key milestones were achieved in 2020. The biggest milestone has to be the fact that 146 million cartons (yet to be finalized) have been exported, the equivalent of 1.85million pallets, some 66,100 truck trips to port cold stores and 83,000 reefer containers shipped, plus 198,000 pallets shipped in specialized reefer ships from our four main ports. This is certainly an amazing accomplishment if one considers the many hurdles the industry faced from the 27<sup>th</sup> March (Covid-19 lockdown) until now. We certainly need to thank every person and every organization in the value chain for playing their part and making this possible. Some are saying this will go down as being the season to beat. Another big milestone and certainly a key learning is the fact there was a 33% increase in shipments in specialized reefer vessels. Shipments to Japan, China, USA (with a record 12 vessels this year), EU and Russia went incredibly smoothly while for the most part shipments in containers were delayed. Specialized reefer vessels have proven to be an incredibly strategic part of the logistics chain and this must remain as a key instrument to service these important markets. As the Southern African citrus export volume grows to around 170 million cartons (some 105,000 reefer containers), the pressure on the reefer container logistics chain will most likely become very constrained. Imagine in the future a year with 170m cartons to be exported with a similar disruption at the ports container terminals as this year, without specialized reefer vessels – it's simply unthinkable! Further to this there was a considerable uptake in reefer containers that were railed to Durban for export. Containers were railed from Bela Bela, Tzaneen, Musina and City Deep sidings and for the most part made all the planned shipments.

Today the GoGo Group hosted a large contingent of Limpopo Provincial and Municipal leadership at the packhouse and cold store facilities in Marble Hall. The mission was for the Limpopo Economic Cluster to see how the GoGo Group have successfully integrated rail transport into their logistics chain, a strategic move implemented a few years ago. The GoGo Group railed 70% of all the containers railed to Durban this season and 100% of all of their exports. This is a model that MEC Mokone, the Chairperson of the Limpopo Economic Cluster wishes to see rolled out to all main citrus centres in Limpopo. The delegates learnt how the Limpopo Province will become constrained with transport as production increases and we foresee road transport demand certainly exceeding supply. Railing of citrus from centres across Limpopo will be paramount to ensuring the product can reach the ports for export. The transport challenges faced this year by growers up in the north are another learning curve how important rail transport is for this region.

## PACKED AND SHIPPED

| Million 15 Kg Cartons to end Week 40 | Packed         | Packed         | Packed         | Shipped        | Shipped        | Original Estimate | Latest Prediction | Final Packed   |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|-------------------|-------------------|----------------|
| SOURCE: PPECB/AgriHub                | 2018           | 2019           | 2020           | 2019           | 2020           | 2020              | 2020              | 2019           |
| Grapefruit                           | 20 m           | 16.1 m         | 15.5 m         | 15 m           | 14.7 m         | 16.7 m            | 15.6 m            | 16.1 m         |
| Soft Citrus                          | 16.1 m         | 18.2 m         | 23.6 m         | 17.4 m         | 23.2 m         | 23.3 m            | 24.3 m            | 18.2 m         |
| Lemons                               | 19.7 m         | 22 m           | 29.4 m         | 19.4 m         | 24.8 m         | 26.4 m            | 29.8 m            | 22.1 m         |
| Navels                               | 26.6 m         | 24.3 m         | 26.2 m         | 22.6 m         | 24.2 m         | 26.5 m            | 26.2 m            | 24.3 m         |
| Valencia                             | 53 m           | 46.6 m         | 53.8 m         | 43.4 m         | 46.4 m         | 50.4 m            | 53.9 m            | 46.8 m         |
| <b>Total</b>                         | <b>135.4 m</b> | <b>127.2 m</b> | <b>148.5 m</b> | <b>117.8 m</b> | <b>133.3 m</b> | <b>143.3 m</b>    | <b>149.8 m</b>    | <b>127.5 m</b> |

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