

FROM THE DESK OF THE CEO (27/25)

Boitshoko Ntshabele, 4 July 2025

"Life is like riding a bicycle. To keep your balance, you must keep moving." - Albert Einstein



PSPs IN RAIL A CHANCE FOR PROGRESS WITH LOGISTICS

This week we followed the speech by the Minister of Transport, Barbara Creecy, on the occasion of the Department of Transport Budget Vote. Among the issues she highlighted were the reforms her department are undertaking in the logistics sector. The speech and issues raised are timely, as we enter our peak period for the export of citrus. We estimate that over 171 million 15kg cartons of citrus will be exported by the end of the season.

The Minister spoke about the risks at ports and the constraints in rail - matters we at the CGA have been intensely concerned with. Vision 260 foresees exports growing by an additional 100 million cartons by 2032 and with that the creation of an additional 100 000 jobs. The efficient and effective implementation of reforms by her department and its agencies are essential for industries such as ours to contribute to economic growth and the creation of much needed jobs. We welcome her assertion that rail transport must become the backbone of the movement of people and goods in the country. The need for increased shipments of citrus by rail is pressing for a number of reasons. Firstly, the economics of rail transport is clear: rail shipping averages significantly lower costs per ton compared to trucking. Secondly, rail is a much greener choice as trains are fuel-efficient, lowering the carbon footprint of produce shipped in this way.

Recently, the first trains carrying dozens of refrigerated containers of citrus departed from City Deep in Johannesburg to the port of Durban. It is our expectation that it will be a bumper year for this route. Its success will be made possible by the organisational efforts of CTI Logistics, a Johannesburg-based logistics company, and Transnet.

40% of exported citrus is grown in Limpopo. Once harvested, the produce must be kept refrigerated under strict cold protocol temperatures as it travels the long route from Letsitele, Marble Hall and other areas in Limpopo to Durban, before it is shipped. Currently, about 90% of this citrus is shipped to the Port of Durban via trucks, which makes rail projects like the CTI-organised train exceptional, but necessary.

This past week Minister Creecy also spoke of the recently closed Request for Information process which seeks to facilitate private sector investment in the context of the Cabinet-approved Private Sector Participation (PSP) framework. This is aimed at addressing funding gaps in government coffers. The CGA is very aware of the large investments and partnerships that are required in the rail space to make efficient rail logistics a reality.

We look forward to Transnet's issuing of the Request for Proposals by the end of August 2025, starting the formal procurement process. If offered sound business options, the private sector can enable the resolution of many logistical pains faced by exporting industries like ours. As the CGA has always advocated, PSP's are the best way forward.

NEW MEMBER OF THE CGA TEAM

We warmly welcome Sameera Ebrahim to the team. She joined the CGA on the 1st of July our Data Analyst, who will be working closely with Albert and Portia, and she will be based in the Western Cape. We look forward to walking a long path with her.

PACKED AND SHIPPED

** PPECB indicated they are experiencing a backlog in processing inspection data. We therefore exclude the inspection volumes for week 26. PPECB are currently addressing this issue.*

| End of Week 26 million 15 Kg Cartons | Packed | Packed | Packed | Shipped | Shipped | Original Estimate | Latest Prediction | Final Packed | Vision 260 |
|--|--------|--------|--------|---------|---------|----------------------|----------------------|-----------------|------------|
| SOURCE: PPECB/AGRIHUB | 2023 | 2024 | 2025 | 2024 | 2025 | 2025 | 2025 | 2024 | 2025 |
| Grapefruit | 11.3 m | 11.9 m | * | 10.4 m | 11.0 m | 15.3 m | 15.0 m | 14.4 m | 16.8 m |
| Lemons | 26.8 m | 24.4 m | * | 21.1 m | 25.4 m | 32.9 m | 34.3 m | 34.7 m | 41.5 m |
| Mandarins | 18.0 m | 17.8 m | * | 14.3 m | 18.5 m | 44.9 m | 45.3 m | 41.6 m | 43.9 m |
| Navels | 14.0 m | 12.8 m | * | 9.6 m | 12.9 m | 26.1 m | 26.0 m | 25.1 m | 21.7 m |
| Valencia | 6.6 m | 5.2 m | * | 2.4 m | 4.9 m | 52.0 m | 52.0 m | 48.8 m | 58.0 m |
| Total | 76.7 m | 72.1 m | * | 57.8 m | 72.7 m | 171.1 m | 172.6 m | 164.6 m | 181.9 m |

THE CGA GROUP (CRI, RIVER BIOSCIENCE, XSIT, CGA CULTIVAR COMPANY, CGA GROWER DEVELOPMENT COMPANY & CITRUS ACADEMY) ARE SUPPORTED BY AND WORK FOR THE CITRUS GROWERS' OF SOUTHERN AFRICA