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REPORT ON THE STATE OF SOUTHERN AFRICAN CITRUS EXPORT LOGISTICS AND SHIPPING 2024

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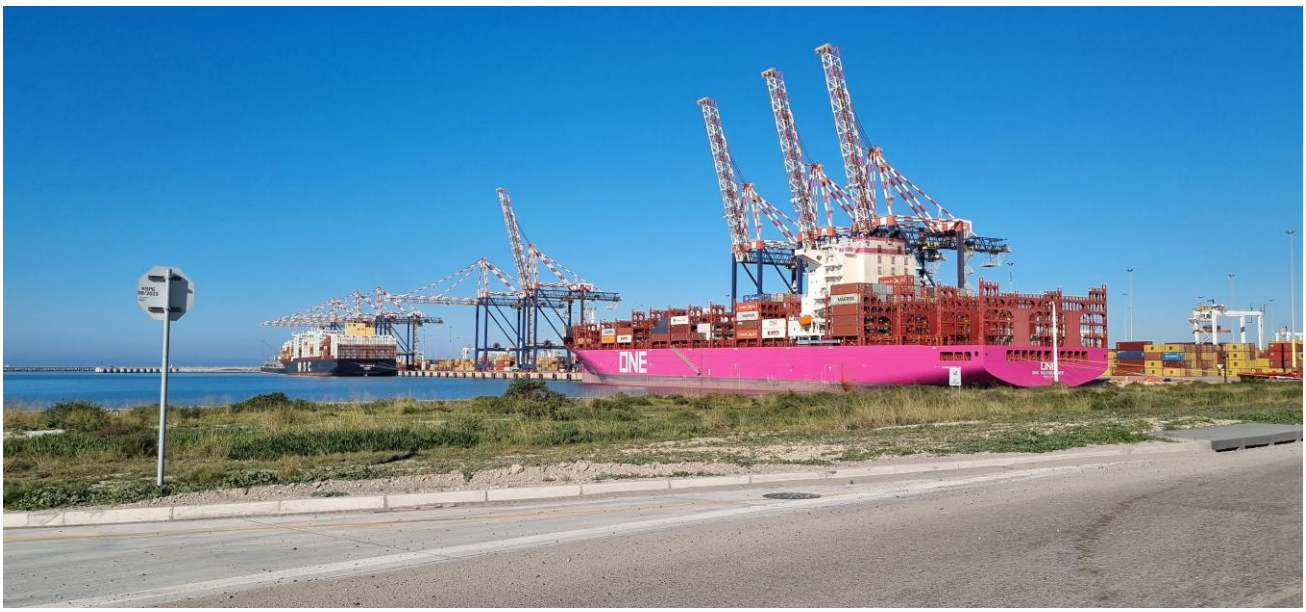

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Introduction

The South African import and export logistics environment is constrained by the lack of use of rail transportation linking to road transportation, coupled to underperforming Transnet state-run container terminals. Equipment failure at the terminals has been widespread and it is very likely to persist for the time being. This dilemma is a major constraint for the exporting of citrus since 95% of exports are by way of containerization. Although significant investment has been made in cold storage capacity along the Eastern, Central and Western corridors set out to provide much needed capacity, the biggest constraint in the logistics chain lies in the challenge of delivering containers to the terminals in an acceptable timeframe. This report seeks to take a 'snapshot look' at the past season's logistics and shipping and highlight some of the interesting events and also aims to hone in

on some of the prevalent challenges. Some of the challenges that were encountered will be difficult to address although there are a number of things that can be adopted within the corridor ecosystems to create a better more efficient, effective and sustainable logistics environment.

Contents

1. Important factors to consider regarding citrus production volume for export.

Over the past few years, substantial investments have been made across the citrus supply chain, from orchard planting, to farm implements, to packhouses, to cold storage facilities, port capacity, IT systems and data systems, to name a few. Since citrus is an organic product, harvesting and production output is very much influenced by certain micro and macro factors. With export volume specifically being influenced by production output as well as demand factors, it is very important that all stakeholders in the value chain understand these parameters. Citrus harvesting has the following main output determinations:

- Primary production for export including for processing.
- Production for local market and cross border sales.
- Production for juicing, concentrate and local processing.
- Dumping or pulping for various uses.

Production output has been influenced by a number of factors this year. The export value chain cost and efficiency has not been favourable in conjunction to global demand not quite having the pull for fresh citrus fruit at truly sustainable prices. In terms of logistics, the risk elements to the industry and product must be noted. Some of the main influencing factors that have a significant bearing on production output and export volume are listed below:

- Global Political & Socio Economic Environment.
- Climatic Conditions & Potential Impact of Climate Change.
- Market Dynamics & Pricing Trends.
- Bilateral Trade Agreements - Tariffs, Duties & Taxes.
- Economic Environment & Cost of Export.
- Phytosanitary Compliance.
- Harvest Quality & Product Sizing.
- Biosecurity & Plant Health.

Personally I foresee that in the near future the cycle will be positive and in favour of a massive increase in production and exports. I say this as climate change is having a very negative impact on citrus production in other regions around the world (especially Brazil), creating demand. Other factors to consider are the eventual decline of the current inflated orange juice price, as well as possible improvements in market access, such as

increased access to India and the USA for SA citrus. It should also be stated that Southern African farmers have proven their resilience in the past. With a world-class research institution such as the Citrus Research International (CRI), the research and support base given to Southern African citrus farmers places them at the forefront, alongside global citrus leaders.

2. Southern African citrus regions and key export corridors.

An aspect of the Southern African citrus export logistics chain that is emphasized quite frequently it that fact that there are three distinct and differentiated logistics corridors:

- Northern Corridor including KZN, eSwatini, Mpumalanga, Limpopo, North West Province, Botswana, Zimbabwe and Mozambique exporting from the Maputo and Durban ports.
- Central Corridor including Patensie and Hankey area, Sundays River Valley including Addo, Sunland and Kirkwood and Eastern Cape Midlands including Fort Beaufort area exporting from the Port Elizabeth and Coega ports. Initiatives are underway to include East London as a further option for exports from this region.
- Western Corridor including WC Boland, Citrusdal and Orange River area exporting from the Cape Town port.

Often focus is placed on the total seasons production estimates and export volume, without considering that the logistics chain is very dependent on the corridor aspect; something that was very evident in the 2024 season. Some of the key factors that largely differentiate the corridors logistics and shipping dynamics are:

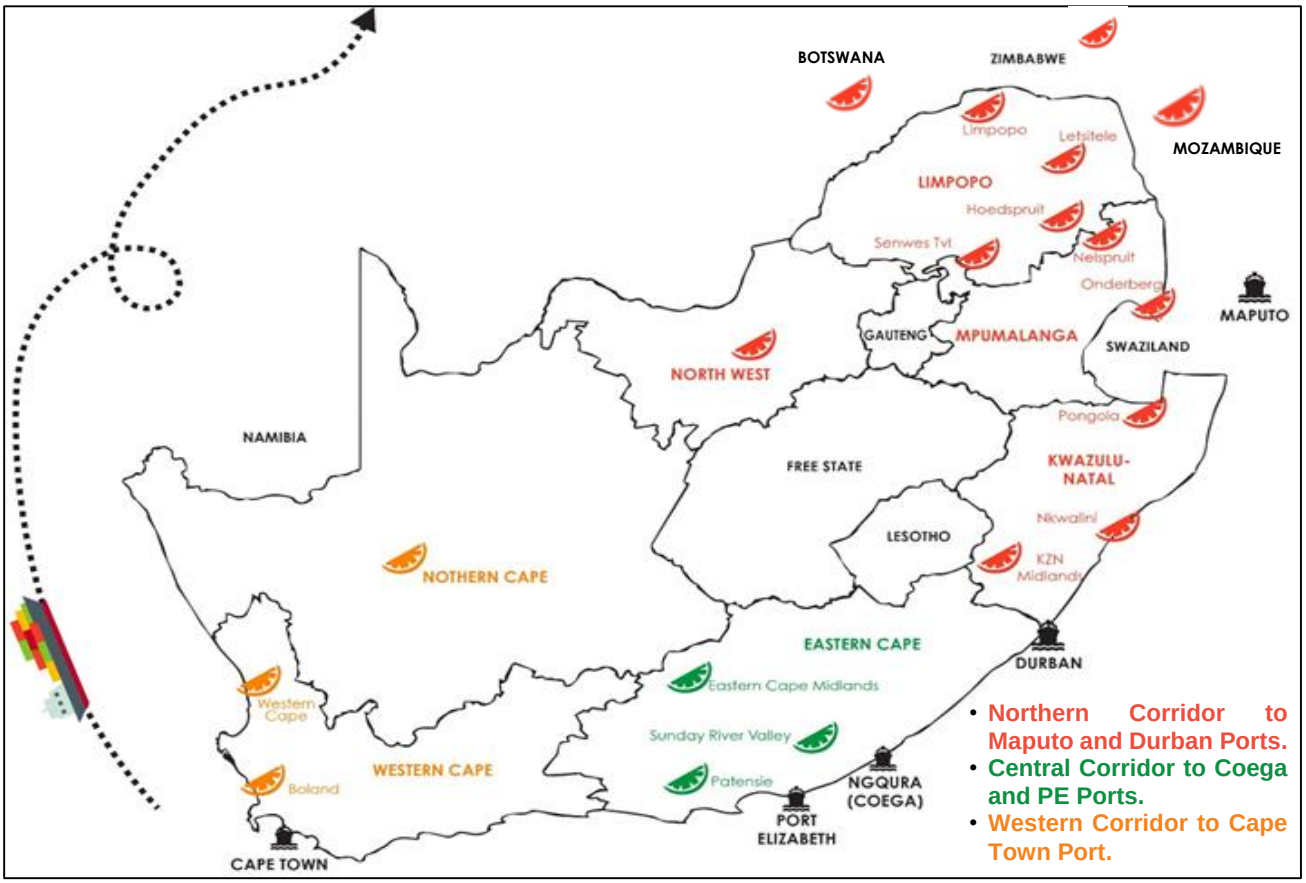
- The extent of the production in terms of volume output, such as the northern corridor which produces 50% of the total Southern African production.
- The distance from production area to ports, which has a major influence on the cost of transportation. Areas inland of Zimbabwe are transporting citrus some 1,600 km's to the Durban port.
- Road and rail networks and the volume demand for each mode of transport.
- The condition of those road and rail networks.
- Cross border aspects in the case of cargo transiting Namibia, Botswana, Zimbabwe, Mozambique and eSwatini from or into South Africa.
- Cold storage capacity and the location of those facilities.
- The market supply and DALRRD pre-inspection criteria. Such as the Durban port has an intensive pre-inspection requirement for markets such as Japan, China, South Korea, India etc.
- Focus on cold chain and cold treatment shipments.
- The municipal road network and infrastructure feeding into the port precincts.
- The container terminals reefer capacity and productivity.
- Back of port reefer plug in capacity.
- Availability of short haul rail access to ports.
- The extent of volume handled by each respective port.
- The availability of shipping networks to gain access to markets.
- Weather events that impact port operational ability.
- Unforeseen impacts along the corridors due to a myriad of factors.

In terms of the above criteria, each corridor region faces a unique set of circumstances that are required to be navigated within the logistics and shipping process. Its vitally important to understand these dynamics and focus on each corridor individually to ensure the right focus is placed in the right areas. As the report progresses, we will unpack these criteria as they relate to the 2024 season.

Another important consideration is understanding the development criteria that each corridor network requires to create a more efficient, effective and sustainable link for citrus exports to reach global markets. As we move into subsequent seasons, it is important that those criteria are identified and implemented with urgency to keep

up with global trends towards procuring more sustainable food sources. Initiatives should also be considered that are key levers in reducing carbon emissions.

Diagram 1: Southern African citrus growing regions and key export corridors



3. Corridor production and export volume overview.

If one considers the Tree Census data and relate this to the production forecasted as contained in Vision 260, the 2024 season could well have reached a total production volume of approximately 185 million 15kg cartons (Eqv.). However, there were some very interesting dynamics at play this past season that ultimately affected the planned forecasted production volume. An important point to note is that when it comes to logistics and shipping, the production and export volume must be considered by each corridor region to gain a full perspective on how the production and export volume from that region affected the logistics and shipping along those corridors.

2024 Corridor Production Volume Overview.

The 2024 season presented some unusual dynamics across the main production corridors. Extreme weather, quality, sizing, colour and especially the abnormally high international orange juice price played a significant part in the lower production output for export. This had a significant impact mainly on the Northern Corridor which in March 2024 was estimated to deliver a total of 92 million 15kg cartons for export, but which had a final volume of 76,5 million cartons being produced for export. The March estimate from the Northern Corridor also suggested a major overlap of Mandarin and Valencia production during weeks 24 through to 34 - this was dubbed the "Super Peak". Much preparation followed, although this event did not actually realise. In hindsight, we have considered a more precautionary view on production estimates submitted in March annually. This region's production for 2024 was in fact the lowest seen in the last few years, although the outlook in terms of Vision 260 indicates 108 million cartons is forecast (excluding production from Botswana and Mozambique, not included in the tree census data for 2023).

However, contrary to production from the Northern regions, the Central Corridor regions produced a whopping 52,94 million cartons in 2024. This had a significant bearing on the logistics and shipping landscape for 2024. The Western Corridor production was also largely affected by the previously stated dynamics but also by two major floods in the peak of the production season lowering the production output.
Going forward, focus must be placed on the fact that a significant number of citrus orchards have been planted across Southern Africa in recent years and this will at some point transfer to a significant increase in production and exports once the cycle meets more favourable conditions on all fronts. Importantly, the corridors' supply chains must be ready for this eventuality.

Table 1: Seasonal production output by corridor region 15kg eqv. Cartons (Source: PPECB/VFG)

Corridor Region	Year	Grapefruit	Lemons	Navels	Soft Citrus	Valencia	Corridor Total
Northern Corridor	2021	15 739 478	10 843 875	9 539 116	10 626 474	40 615 600	87 364 542
	2022	14 766 166	12 282 829	8 526 192	11 207 368	36 975 200	83 757 755
	2023	12 439 244	12 413 002	6 853 438	12 426 983	36 912 892	81 045 559
	2024	12 525 469	10 938 428	5 932 962	13 260 848	33 865 756	76 523 463
	Vision 260	***15 600 000***	***16 500 000***	***8 560 000***	***22 000 000***	***46 070 000***	***108 730 000***
Central Corridor	2021	439 208	16 063 479	9 780 793	7 602 807	8 161 694	42 047 981
	2022	394 333	17 583 934	11 369 311	8 517 786	10 162 853	48 028 217
	2023	539 042	18 301 747	10 536 720	9 590 133	8 529 267	47 496 909
	2024	496 564	19 077 633	12 446 668	11 633 722	9 285 934	52 940 522
	Vision 260	***500 000***	***20 200 000***	***11 000 000***	***12 200 000***	***10 500 000***	***54 400 000***
Western Corridor	2021	1 485 641	3 825 248	7 704 085	12 649 535	6 070 924	31 735 432
	2022	1 583 660	4 598 869	7 825 087	12 039 894	6 723 068	32 770 578
	2023	1 758 073	4 616 061	7 323 647	15 950 364	6 589 045	36 237 190
	2024	1 318 632	4 395 901	6 613 235	16 735 081	5 566 498	34 629 348
	Vision 260	***2 000 000***	***5 900 000***	***7 500 000***	***21 000 000***	***8 100 000***	***44 500 000***
SOUTHERN AFRICA TOTAL	2021	17 664 327	30 732 602	27 023 994	30 878 815	54 848 217	161 147 955
	2022	16 744 159	34 465 632	27 720 590	31 765 048	53 861 121	164 556 550
	2023	14 736 359	35 330 810	24 713 805	37 967 480	52 031 204	164 779 658
	2024	14 340 665	34 411 963	24 992 865	41 629 651	48 718 188	164 093 333
	Vision 260	***18 100 000***	***42 600 000***	***27 060 000***	***55 200 000***	***64 670 000***	***207 630 000***

2024 Corridor Export Volume Overview.

During previous seasons, the production and export volume flows by corridor was typically misaligned due to the necessity to divert cargo between corridor regions. This was caused by a number of impediments along the corridors, such as political unrest, severe weather events, lack of available capacity in a particular corridor, port efficiency challenges and shipping challenges. In the 2024 season, much of the export consignments originating from a corridor region mostly remained within the corridor and was exported from the corridors' ports. For example, many consignments originating from the Central corridor (Eastern Cape) that was previously diverted in high numbers to Durban and Cape Town ports remained in the region and was exported from the Port Elizabeth and Coega ports. This was in part due to the available cold storage capacity, reefer plug-in capacity, shipping opportunities and shipping capacity which was positively aligned to each corridor region. As was the case in the lower production from the Northern and Western Corridors, the export volume that was initially estimated was affected downward accordingly. The most impacted corridor was exports through the Durban port. Its container estimate was 56,000 units, with 42,831 units being shipped, a decrease of 24%. Similarly, the forecast of containers from Maputo was 2,500 units with only 730 units being exported – a decrease of 64%.

An important aspect that stood out during the 2024 season, was that keeping cargo within the respective corridors is key to ensuring the available capacity developments are serviced and maintained. The inclusion of the three direct shipping services offered in 2024 between the Central Corridor and the European market minimised cargo diversion to Cape Town. As we witness the evolving shipping services being reconfigured to maintain schedule reliability and in keeping with Transnet's commercial contracts, it is imperative that each corridor region maintains direct and efficient shipping services to global markets.

In terms of Vision 260 and the market demand strategy aligned to this, shipping service capacity and new services where required must also be evaluated in keeping with the same initiative as outlined above. In outlining this, it seems evident that Vision 260 market demand strategy also consider the market demand criteria by corridor region to ensure shipping capacity and services are aligned to this projection.

Table 2: Seasonal export volume by corridor region port by export market by commodity in pallets (Source: PPECB)

Sum of Pallet Qty		Year	Commodity Group																
		2021					2021 Total	2022					2022 Total	2024					2024 Total
Exit Port	Market Destination	Grapefruit	Lemons	Navels	Soft Citrus	Valencias		Grapefruit	Lemons	Navels	Soft Citrus	Valencias		Grapefruit	Lemons	Navels	Soft Citrus	Valencias	
Cape Town	NWC - EU / UK	14 649	32 106	37 417	118 243	42 171	244 586	14 643	41 345	29 228	109 142	52 251	246 608	7 427	34 684	35 832	132 601	54 114	264 658
	North America	9 289	6 191	40 180	53 509	15 070	124 239	7 741	7 565	49 421	63 759	18 270	146 756	10 199	10 195	45 285	56 022	17 543	139 244
	Middle East / India	253	7 348	11 985	11 244	8 127	38 957	523	11 339	17 021	7 120	10 798	46 802	213	6 645	13 854	13 662	4 201	38 575
	Russia	3 005	3 761	2 323	17 844	3 292	30 225	2 578	3 209	2 479	16 342	2 055	26 663	1 737	8 431	2 216	19 173	998	32 555
	South EU / MED	267	7 948	6 839	5 300	5 478	25 832	197	8 887	3 851	5 162	4 330	22 427	92	9 395	4 578	9 125	4 376	27 566
	Other	315	1 168	1 929	6 668	3 228	13 309	168	1 110	1 753	4 436	3 610	11 076	99	4 474	1 233	8 177	2 695	16 678
	Far East / Asia / SE Asia	629	3 379	9 767	16 741	10 572	41 087	143	2 663	6 965	9 757	6 000	25 528	40	360	1 040	7 605	739	9 784
	East EU / Black Sea		360	200	40	40	640	20	297	60		20	397		440	20		100	560
	Japan			400			400			300			300			40			40
Cape Town Total		28 406	62 262	111 040	229 589	87 979	519 275	26 012	76 414	111 077	215 719	97 334	526 557	19 807	74 624	104 098	246 364	84 766	529 659
Durban	NWC - EU / UK	67 089	16 542	25 301	35 658	132 229	276 819	55 664	28 355	20 437	45 460	114 761	264 677	71 594	30 733	13 419	51 793	115 551	283 090
	Far East / Asia / SE Asia	86 491	19 803	44 520	42 989	110 680	304 483	70 685	25 174	55 800	43 546	117 571	312 776	45 254	8 814	25 452	43 016	90 370	212 906
	Middle East / India	5 002	67 340	42 077	36 105	102 207	252 730	4 677	67 065	34 882	38 101	88 253	232 978	7 345	62 429	20 961	42 439	76 763	209 937
	Russia	19 986	20 729	7 456	11 233	48 269	107 672	17 811	17 168	10 455	20 820	41 964	108 218	22 342	15 475	9 272	22 745	44 855	114 689
	South EU / MED	15 355	7 930	7 478	3 899	53 721	88 383	8 999	11 115	6 004	5 334	36 020	67 472	13 233	9 656	5 206	6 373	30 618	65 086
	North America	6 784	6 022	4 692	3 545	5 349	26 392	5 008	7 786	5 076	4 381	4 919	27 170	6 561	12 535	7 058	9 148	5 677	40 979
	Japan	30 913	2 587			764	34 264	21 329	1 463	50		545	23 387	19 722	1 666	160		367	21 915
	Other	298	1 717	2 294	6 605	8 378	19 292	538	2 863	1 015	8 076	4 470	16 962	467	2 209	1 045	9 956	7 423	21 100
	East EU / Black Sea	3 375	3 915	979	215	5 689	14 172	1 008	2 430	454	12	2 579	6 483	1 633	2 717	326	100	3 408	8 184
Durban Total		235 291	146 586	134 797	140 247	467 285	1 124 207	185 719	163 420	134 172	165 730	411 082	1 060 123	188 151	146 234	82 899	185 570	375 032	977 885
PE/Coega	NWC - EU / UK	1 147	67 072	37 412	39 452	36 892	181 976	2 296	65 416	36 420	33 050	44 116	181 298	2 316	81 297	36 567	35 846	44 799	200 825
	Middle East / India	1 426	43 244	35 357	13 896	24 104	118 027	829	42 622	38 540	15 089	24 447	121 528	488	63 540	63 422	17 412	22 295	167 157
	South EU / MED	307	38 755	15 352	3 147	12 847	70 408	344	46 693	16 137	2 426	15 495	81 094	484	37 870	21 984	4 464	23 695	88 497
	Far East / Asia / SE Asia	200	4 909	8 250	8 460	5 207	27 026	310	9 243	14 586	10 997	9 670	44 805	237	6 191	14 047	12 461	8 670	41 606
	Russia	439	6 642	5 481	5 803	3 824	22 190	391	14 055	13 290	10 529	1 647	39 912	897	14 366	4 116	11 293	2 866	33 538
	North America	394	10 275	4 514	4 377	3 752	23 312	234	9 511	4 992	4 625	2 731	22 094	409	10 674	7 606	4 978	2 261	25 928
	Other	85	1 148	471	1 055	1 123	3 882	111	924	682	1 258	1 199	4 175	144	2 680	1 199	1 472	1 251	6 746
	East EU / Black Sea	20	2 169	839	27	163	3 218		1 593	412		168	2 173		3 515	279	20	140	3 954
	Japan									60			60		20				20
PE/Coega Total		4 019	174 214	107 677	76 217	87 913	450 039	4 515	190 058	125 119	77 975	99 472	497 138	4 975	220 153	149 220	87 946	105 977	568 271
Maputo	Middle East / India							20	755	600	20	3 995	5 390		4 680	1 080	500	5 360	11 620
	Far East / Asia / SE Asia							30	200	651	140	6 410	7 431		1 820	20		1 120	2 960
	NWC - EU / UK																	20	20
Maputo Total								50	955	1 251	160	10 405	12 821		6 500	1 100	500	6 500	14 600
Grand Total		267 716	383 062	353 514	446 052	643 177	2 093 520	216 297	430 847	371 619	459 583	618 293	2 096 639	212 933	447 511	337 316	520 380	572 275	2 090 415

Outlined in Table 2 above are two very noticeable trends in the 2024 season. 1) A noticeable increase in export volume to Europe and UK markets from all the ports. 2) A stark increase in exports from the Port Elizabeth and Coega ports. A noteworthy observation is the lack of export volume from the Eastern Cape region to Far East, Asia and South East Asia markets. It has been cited in the past that shipping options from the region to these markets is not favourable. Perhaps there needs to be dialogue as to whether or not there is demand for a dedicated and direct service required from the Eastern Cape to this region.

Table 3: Export volume by port by Containers and Specialized Reefer Vessels in pallets (Source: PPECB)

Sum of Pallet Qty		Year		
Exit Port	Ship Mode	2021	2022	2024
Cape Town	Reefer Container	442 225	436 064	470 457
	Specialized Reefer Ship	77 050	90 493	59 202
Cape Town Total		***519 275***	***526 557***	***529 659***
Durban	Reefer Container	1 003 093	1 001 406	867 903
	Specialized Reefer Ship	121 114	58 717	109 983
Durban Total		***1 124 207***	***1 060 123***	***977 885***
PE/Coega	Reefer Container	436 310	474 462	537 618
	Specialized Reefer Ship	13 729	22 676	30 653
PE/Coega Total		**450 039**	**497 138**	**568 271**
Maputo	Reefer Container		12 821	14 600
Maputo Total			***12 821***	***14 600***
Total by Ship Mode	Reefer Container	1 881 627	1 924 753	1 890 577
	Specialized Reefer Ship	211 893	171 886	199 838
Total All Ports		**2 093 520**	**2 096 639**	**2 090 415**

4. Overview of Transportation Road and Rail

There is not much to highlight in this sector for 2024 as it appeared as though long distance transport supply was by and large matched to demand. However, as stipulated above, the transport aspect is very heterogeneous within the corridor regions due largely to the scale of production, transport distances, road and rail networks and capacity availability. The long distance railing of containers from Bela Bela and City Deep, Johannesburg also reportedly went off without a hitch, however the volume targets were no achieved.

Road transportation.

Historically the Durban port is commonly known for truck delays and congestion whilst offloading at cold store facilities. In recent years and specifically during 2024 there was no known transport delays. One can attribute this to the additional cold stores developed adding capacity as well as the lower export production offsetting the demand for road trucks. To this point there have been no known bottlenecks apparent in the Central and Western corridors. Aligned to Vision 260, the outlook for transportation is such that demand for road and rail transport could at some point outstrip supply, again this will be corridor specific and aligned to the criteria of those corridors. Due to the substantive growth forecast for the production of Mandarin types which are commonly transported in refrigerated trucks, the demand for these specific units during peak production will outstrip supply nationally very soon.

Consignment damage due to ailing roads and/or road network upgrades.

An aspect which drew much attention during the end of season Exporter Technical Panel (ETP) meeting was consignment or pallet damage during road transportation. This was highlighted to be relevant to both flat deck and refrigerated truck configurations. In the case of the Eastern Cape, the road networks linking citrus regions to ports are considered mostly unfit for purpose. Since this has been the case historically, with driver awareness of the specific terrain and due to the short distances to ports, consignment integrity is not deemed to be highly problematic. The problem in this regards emanates from the northern regions transporting to the Durban port. Poor municipal and provincial road conditions in Limpopo and Mpumalanga are very problematic and poor. Poor road conditions are a cause of consignment damage as a result of truck drivers having to exert harsh breaking and swerving to avoid pot holes and the like.

Recently the major national routes of the N11, N3 and N2 as well as extensive municipal and provincial roads within Ethekwini are undergoing significant road rehabilitation and upgrades. Whilst these upgrades are underway, driving conditions and road surface conditions remain poor. During the coming 2025 CRI Preseason Workshops emphasis will be placed on this specific matter as well as palletization and truck securing mechanisms.

Picture 2: R36 between Mashishing and Orichstad, November 2024

Rail transportation – long haul.

Considered to be South Africa’s most formidable logistics challenge is the ailing state of the country's rail network and supply operations. This is certainly evident in the general freight aspect of the network and principally the network between Durban and the reef and beyond to the northern citrus regions. At this time there are 5-6 container trains running daily between Durban and the reef in either direction. There is a capacity to run at least 12 container trains daily in either direction, thus capacity is available to upscale trains on this route. In 2024 it has become apparent that a formidable amount of energy and funding will be required to regain traction on the rail network to achieve not only government objectives, but also the objectives of the citrus industry. Additional locomotives and wagon sets will need to be procured to achieve this goal, be it by Transnet or by the private sector. Having stated that, the Container Corridor network between the Reefer (City Deep) and Durban has been almost fully restored with overhead cables and rehabilitation of the network affected by severe floods in April 2023. Rail operations on this strategic corridor has been stable with minimal disruptions to rail services experienced during the 2024 season. As outlined in the CGA's Vision 260, rail transportation remains one of the most fundamentally important developments for the citrus logistics chain. We have not seen the traction that was planned leading into the 2024 season, having only moved a mere few hundred containers from City Deep and from Bela Bela in the north to the Durban port for export. This was mainly due to good supply of

road transport at competitive prices and the reduction in export production from the northern regions impacting the service.

Transnet published the Rail Network Statement in December 2024. The rail network will soon be open to the private sector to own and operate trains, seemingly within the 2025 year. At this time, it is premature to comment on the positioning and future state of rail transport until we have fully grasped the contents of the Rail Network Statement. To this end we have identified two specific rail concepts that will most likely achieve the citrus industry's progressive rail objectives:

1. Railing of refrigerated containers of citrus from hinterlands to ports for export. Rail transport in the citrus industry has evolved towards railing of reefer containers of citrus from production areas of Letsitele, Musina, greater Groblersdal and Marble Hall and from City Deep, Johannesburg to Durban and Cape Town ports. My view is that this concept is not cost effective and sustainable in its present form in the long term. However, for the time being it is comparatively so. There needs to be movement to use reefer containers to import goods on the reefer trains to the hinterland, thus reducing the high cost of railing empty containers inland from the ports. Container shipping lines are in the best position to upscale this mode of rail transport for the citrus industry as lines have rail contracts, the oversight of empty container equipment and control the logistics process. Maersk and MSC as an example, have been very progressive in this method of rail transport. Perhaps we shall see citrus exporters and rail service providers working with shipping lines becoming more progressive in the rail space once the rail network becomes fully occupied by private rail operators. Thus fully implementing a round trip service.
2. We have been working alongside Rail Runner Africa in the development of a unique intermodal rail transport model for the citrus industry. This mode of transport permits specifically designed road trailers to fit to rail bogies, thus permitting the road trailers to be transported between the hinterland and port cold stores by rail. An initiation and trial project for the citrus industry is to be investigated for the greater Groblersdal and Marble Hall region. This region has elected to adopt a rail project committee with an aim to identify rail specific opportunities. In my humble opinion, if rail transportation does not upscale to a formidable level here (with the inclusion of the progressive GoGo rail initiative), then there is possibly little potential to upscale rail transport for the great Northern Region.

In summary, the long term viability of long haul rail transport rests with the railing of compatible commodities from the ports to the reef or hinterland areas.

Rail transportation – short haul.

Short haul rail transportation of containers also has a very strategic position in the citrus export space. The fundamental driver for this development is to reduce the high element of road transportation delivering and collecting containers from the ports' container terminals, but it is also the best suited means to access terminals to deliver reefer containers, particularly as a wind mitigation measure.

There was not a lot of activity in short haul rail routing, however we should see good traction within the 2025 export season. Sites are being developed at Bellville, WC outside Cape Town and Cato Ridge, KZN outside Durban, where cold store facilities and container depots are being positioned at rail terminals in these areas. The principal means of transporting full reefer containers into and empties out of the Cape Town and Durban terminals will be by means of rail transportation to these sites.

The Deal Party rail terminal outside of Port Elizabeth was used to rail reefer containers into Coega for export during 2024. This service offering will more than likely be expanded for the 2025 season.

1. Overview of cold storage capacity development in 2024.

This is an area wherein the CGA has seen much success, as investment in cold store capacity for citrus exports has been and is currently under rapid expansion. In recent years, cold storage capacity has been expanded at existing facilities with new facilities also having been built.

In 2024 the commissioning of the Medlog facility in Durban, the CTI facility in City Deep and the CCH facility in Greenbushes, Gqeberha was undertaken. In 2025 the commissioning of Maersk facilities in Bellville and Cato Ridge will also be undertaken and add substantial capacity to those corridors.
In terms of future expansion of cold storage facilities, it is deemed imperative for a cold store facility to be built on the N4 Maputo corridor to facilitate exports of citrus from Maputo.

Within the section of cold storage capacity, I would like to highlight an area that is considered in my view to be problematic. Many consignments that arrive at some cold storage facilities are stored in the intake areas of the facilities in ambient conditions. In some cases, consignments are seen stored out in the open in the direct sunlight. It is not known for how long a period these consignments are stored. The main concern is that sensitive citrus types, as in the case of Mandarins, are also kept in the same conditions. It is known that in the case of Mandarins and other sensitive citrus types, these consignments are transported to ports in refrigerated trucks with cooling applied to the fruit on route. A recommendation can be put forward for citrus producers and exporters to either ensure that cold stores are contracted that have the ability to offload and stow directly into the cooling chambers, or draft a signed agreement with cold store operators outlining the specific cooling requirements for sensitive citrus fruit types and the handling protocol of those citrus fruit types. The same or similar conditions have been seen on the out loading points within cold stores whereby dispatch consignments are accumulated and stored in ambient conditions for a length of time prior to loading out for SRV shipments or containerized shipments. Many of the cold stores handling citrus do not have cooling at the intake areas or dispatch areas. It is the view that in the case of handling of sensitive citrus fruit types in particular, that thorough handling procedures are complied with in the manner of maintaining the cold chain within cold store facilities.

2. Overview of Specialized Reefer Vessel (SRV) shipping in 2024.

The strategic nature of SRV shipping services to Southern African ports cannot be overstated.

1. It provides a strategic shipping option against unforeseen events, such as labour strikes or container terminal related challenges.
2. It provides a diversified approach to the logistics chain and in the case of cold treatment shipments, SRV meets the challenging in-transit cold treatment regimes.
3. It curtails the demand for container shipping and container equipment demands.

Although SRV global tonnage availability is on a very negative downward projection, SRV shipping has maintained its position locally. It is principally used in exporting to the United States, Japan, China and Russia. Due to the requirements to manage the False Codling Moth and Citrus Black Spot requirements into the EU, shipments of citrus by SRV to Europe has largely fallen away. However, the co-load of a shipment to Japan and China was affected from Durban in week 27. Initially plans were that co-loading SRV shipments to Japan, China and South Korea were to take place in 2024, however, due to resistance by receivers the plan was later set aside. There is a focus on this initiative for the 2025 season.

It is foreseen that SRV shipping to Japan and Russia from South Africa will remain intact for the time being as receivers prefer this mode of shipping. This is converse to SRV shipping to the United States, as volume of exports is shifting progressively each year to containerized shipping. It is extremely important that SRV shipping remain sustainable in the citrus export dynamics.

Picture 2: SRV Autumn Stream working alongside a berth at the Coega port

Table 4: SRV shipping by port by market in pallets (Source: PPECB)

Sum of Pallet Qty		Year			
Exit Port	Market Destination	2021	2022	2023	2024
Cape Town	North America	63 045	74 710	40 905	36 137
	Russia	12 536	15 783	27 182	23 065
	NWC - EU / UK	1 288			
	South EU / MED	181			
Cape Town Total		***77 050***	***90 493***	***68 087***	***59 202***
Durban	Russia	56 518	50 714	110 911	92 392
	Japan	25 584	8 003	13 429	16 513
	Far East / Asia / SE Asia	4 813			1 008
	NWC - EU / UK	28 648		72	70
	South EU / MED	5 551		1 960	
Durban Total		***121 114***	***58 717***	***126 372***	***109 983***
PE/Coega	Russia	11 939	22 676	24 027	30 653
	South EU / MED	148			
	NWC - EU / UK	1 642		861	
	Other			10	
PE/Coega Total		13 729	22 676	24 898	30 653
Grand Total		**211 893**	**171 886**	**219 357**	**199 838**

7. Overview of Containerized shipping in 2024.

The CGA has been very active in engaging with the containerized export value chain. Over the years we have come to understand exactly how the value chain works, where the constraints are, but also where the opportunities are.

Between March and October, the Southern African citrus industry exported 94,687 12m reefer containers (including those exported on SRV vessels, however excluding concentrate, pulp and juicing or any form on non-fresh fruit type exports) from the 5 ports and 13 terminals across Southern Africa. This is a major achievement considering the effort required for every single container shipment, notwithstanding the additional efforts for the cold treatment containerized shipments. In terms of Vision 260, in the future more than 120,000 12m reefer containers of citrus will be exported from Southern African ports to global markets, even more if SRV does not maintain or possibly grow market share.

The estimates received from the Variety Focus Groups (VFG's) given in March of 2024 indicated the likelihood that 108,000 12m reefer containers will be exported in 2024. The largest growth was forecasted for the Durban port at 56,000 12m containers, being a 25% increased. The ports of Maputo, PE, Coega and Cape Town did not show a growth projection that warranted additional efforts or capacity. In the case of the Ngqura Container Terminal (NCT) a motivation was supported by TPT executives to invest in auxiliary generator units and installation of plug points. In the end, NCT did not invest in the procurement, as the Eastern Cape estimates did not warrant the capital expenditure. Considering the additional production above the March estimates, wind delays, reefer transhipments and the fact that with limited routing of citrus from the Eastern Cape to Cape Town and Durban, the procurement and installation should have taken place. In the case of Durban however, it was motivated for TPT to invest in 25% additional reefer plug capacity at the Durban container terminals. The situation that materialized in both Durban and the Eastern Cape was counterproductive. Shipping lines also routed in empty equipment to the ports based on the estimates put forward in March. Many empty containers had to be evacuated from the ports at the end of the season. The final note here is we need to - as far as possible - be more in tune with seasonal eventualities and be more forthcoming with market dynamics and how this will influence the logistics and shipping chains.

Table 5: 2024 Reefer container forecast vs actual in FEU (Source: PPECB)

Port	Units	2 021	2 022	2 024	2024 March Projection	Variance
Maputo	No. of Containers	-	641	730	2 000	-64%
	Peak volume	-	150	100		-50%
PE/Coega	No. of Containers	21 805	23 723	27 418	26 000	5%
	Peak volume	1 700	1 800	2 000		10%
Durban	No. of Containers	50 124	50 069	42 831	56 000	-24%
	Peak volume	3 200	3 570	2 756		-30%
Cape Town	No. of Containers	22 167	21 699	23 708	24 000	-1%
	Peak volume	1 300	1 900	1 750		-9%
Total	No. of Containers	94 096	96 132	94 687	108 000	-12%
	Peak volume	5 500	6 200	5 900		-5%

Below outlined are some of the areas that affect reefer container exports –

The complexity with reefer container trucking triangulation.

As mentioned previously, the routing of citrus in containers from the ports is a very complex affair. The reason for this is the differing aspects that are required at each stage of the transaction between collecting from the empty depots to the packing at the cold stores and delivering to the respective container terminal. It's very seldom that a transporter can transition through the stages without a hindrance at one or all of the transaction stages. Ideally, a triangulation transition should take an average of between 6 - 9 hours with a transporter achieving 3 - 4 container transactions at the terminals a day in the case of the port short haul. What we are seeing at the moment is transporters achieving 1 or at most 2 transactions per day. There are many reasons for this, but my thoughts are that the main reason is a breakdown of synchronization and coordination to enable the transaction at each stage to achieve maximum efficiency.

If we are going to provide any form of sustainability, we will have to radically alter the complexity facing the reefer container trucking triangulation problem. If we don't intervene with a more progressive and sustainable approach, we will likely see the exports of citrus facing a myriad of challenges routing citrus in containers from the ports to markets. For the most part we see the road networks as a point of greatest impact, as most facilities, in the case of the Durban port precinct, are located in areas where road networks are grossly unfit for purpose.

TPT container terminal productivity.

It has long been clear that the TPT container terminals have been grappling with major equipment issues to a greater or lesser degree. There is no need to outline the origin or the current situation as this has been done extensively in previous reports. The World Bank Container Port Performance Index (CPPI) 2023 positions South African ports amongst the worst performing terminals. Irrespective of the index - measurements that have come under much scrutiny locally - it signifies that an economy as sophisticated as South Africa's is under huge strain and highly compromised as a result of port inefficiencies.

The perception is that little to none of the governmental or other oversight interventions have brought about significant enough change to this situation. We are at present witnessing the negative consequences: container shipping companies have to make changes to vessel routing and liner service orientation to South African ports. It has become a too frequent occurrence for liner services to omit and/or bypass South African ports as a result of extensive delays. Unless there is a formidable change to the situation, the Southern African economy, citrus producers and the industry at large remains severely compromised.

Improvements in port efficiency have been made in certain areas and are greatly appreciated - there have been recent changes to management across the terminals, as well as an accelerated procurement drive to replace obsolete equipment. Continuous improvement divisions have been created in each port region as a means to identify and adopt improvement measures. However, there is unfortunately no guarantee that container terminal productivity will follow a positive trajectory any time soon. This is based on the fact that both the Cape Town and Ngqura container terminals are equipped with a complimentary fleet and have been at the forefront of continuous improvement initiatives, yet, this past season there has not been a noticeable improvement in productivity. The table below highlights the performance of the main container terminals during the peak citrus export season of 2024.

Table 6: TPT container terminal performance overview 2024 season (Source: TPT)

Terminal	Pier 1	DCT	NCT	CTCT
Max Cranes Deployed	5	10	6	6
Standard GCH Target per Crane	20	20	20	20
Weeks Ave. MAQ/24 Hrs % vs. Target	***60%***	***64%***	***33%***	***31%***
Achievable Target MAQ/24 Hrs	**2 400**	**4 800**	**2 880**	**5 000**
Weeks Ave. MAQ/24 Hrs	**1 436**	**3 049**	**943**	**1 539**

TPT [container] truck booking systems.

The ineffectiveness of the TPT truck booking systems have been highlighted extensively in previous reports and presentations. There are two main factors to consider. 1) In almost all cases the truck demand to be serviced at the terminals way exceeds the available capacity to handle this volume, especially during peak citrus export season. 2) The non-availability of booking slots in peak season means transporters are unable to deliver trucks carrying reefer containers in a reasonable timeframe.

Many reefer containers stand idle somewhere in the port precinct and in some cases without power to keep the cold chain intact. There has to be an immediate and fundamental change. This is a huge problem and impacts severely on the triangulation aspect outlined previously.

TPT container terminal weather impact.

The disruption to terminal operations due to weather-related issues has been on the fore much more during the 2024 citrus season.

The Durban port is largely immune to weather disruptions, in comparison to Coega, Port Elizabeth and Cape Town ports. There are times when DCT operations are impacted from high wind speeds and to some extent when there are heavy rains some of the machines are prone to water ingress affecting circuitry.

The Eastern Cape ports of Coega and Port Elizabeth were highly susceptible to weather conditions during the past season. Wind impacts to terminal operations were continuous throughout the season, severely constraining the region's exports. The Coega port is also prone to high sea swells causing vessels to surge and sway, disrupting operations. In some cases, vessels had to vacate the berths as a measure of safety.

Typically, the Cape Town port does not experience overly disruptive weather events during the winter months, as is often the case in the summer months during the deciduous export season. This past season there were two major weather events that disrupted port and terminal operations quite extensively. It created a backlog of citrus in the port precincts, however this was overcome within a short timeframe.

In conclusion, studies conducted by the CSIR have shown that disruptive weather events will very likely become more common over time. It is therefore imperative that Transnet and industries collaborate to address weather-related disruptions by bringing in countermeasures and contingencies

TPT reefer export stack dates.

There were two main areas of significance that were identified relating to the terminal reefer export stack dates. The first is the need for TPT to release firm stacks at least 24 - 48 hours ahead of time. Much emphasis was placed on this across the corridors as the lead time assists to permit better forward planning and thus maximizes the full duration of the stack dates. Late reefer export stack date notifications such as 12 hours (which is common), results in the first day of stacks not being fully utilized and thus creates pressure in the ecosystem for the remainder of the 2 days of the typical 3-day stacking period.

The second noticeable impact is that of overlapping reefer stack dates and specifically when the important and high volume European services stack dates overlap. Not only does this cause constraint in the port ecosystem, it also creates a peak in volume throughput at terminal level.

Understandably, circumstances are such that stack dates are aligned to vessel berthing and therefore very difficult to adjust. However, addressing the first point is very much attainable.

TPT reefer plug point capacity.

The Cape Town container terminal reefer plug capacity availability exceeds the demand during citrus season and therefore aligns to the growth outlook contained in Vision 260. The other port terminals of PECT, NCT and DCT Pier 1 and Pier 2 are equipped with a fixed capacity and augmented with auxiliary power during the peak citrus season. As outlined above, in 2024 capacity was oversubscribed in the Eastern Cape terminals as

opposed to a surplus supply in Durban. The situation came about as capacity was aligned to the March 2024 estimates. This is an area we will need to hone in on and be more prepared in ensuring reefer plug capacity at the terminals is aligned to a more accurate outlook, limiting the impact of unforeseen factors as much as possible. Certain events in 2024 - especially severe weather - was out of industry control, but the investment made by TPT was substantial. Another issue that has come to the fore is the need for the augmentation of terminal reefer capacity that can be accessed by Reach Stackers (more resistant to high wind speeds) as a mitigation measure against strong winds.

TPT container terminal operational contracts (CTOC).
During the latter part of 2024, much communication and debate centred around the TPT CTOC agreements with shipping lines. Without elaborating on this in too much detail, it is deemed necessary to raise this as an important engagement that was and will continue between the fruit export industry, shipping lines and TPT. The most important aspect is the context of the CTOC agreements being aligned to the fruit export industry's needs for strategic services and alignment of berthing space and windows to this requirement.

Supply of empty reefer container equipment.
An aspect that will become critical, as will transportation supply to the industry, will be that of the supply of empty reefer container equipment aligned to the Vision 260 containerized shipping outlook. During the 2024 citrus export season, some 94,687 reefer containers were exported from Southern African ports (against 108,000 estimated). Vision 260 highlights the fact that at some stage in excess of 120,000 reefer containers will be exported (upwards of 25%). As far as the supply and availability of empty equipment went, apart from a few challenges in the earlier part of 2024, equipment supply was kept at pace with demand. Towards the end of the 2024 season it was very clear that equipment had been oversupplied as a result of the lower season export volume.
In past seasons the Perishable Product Export Control Board (PPECB) supplied statistics on the volume of containers inspected, however this was not made available for 2024. Communication was made at the start of the 2024 season and updates regarding the citrus export estimates for container equipment was fed to shipping lines and Transnet regularly during the season.

8. Overview of Cold treatment (COT) container shipments.

Principally, the routing of cold treatment container shipments encompasses exporting to USA (from Cape Town port), Japan and South Korea (the latter from the Durban port) in the main. COT shipments to China have grown to represent the main export focus of COT shipments, principally from the Durban port. It is interesting to note this, as the accumulative exporting of COT containers to the Far East, SE Asian and other Asian countries see a considerably higher volume of COT container shipments being routed from the Durban port.
The added complexity to the Durban port environment is the increased demand for DALRRD preclearance inspections (a requirement for many countries as a means to mitigate against the incursion of actionable pests and diseases) and resources, Forced Air Cooling (FAC) facilities, specific and approved reefer containers, trucks fitted with Genset units and a heightened focus on implementing the required cold treatment regime. Noteworthy current and future developments in COT exports include:

- Transition from SRV shipping to containerized shipping. There is a notable trend in COT containerized exports specifically in the USA and Japan programs where SRV were traditionally dominant. The reasoning could be a result of the cost disparity between the two modes of shipping.
- In order to retain SRV shipping from Durban, developments are underway to increase the co-loading of exports to China, Japan and South Korea on SRV services.
- COT trials to India were undertaken in 2024 and if deemed successful, exports to India may soon be managed under COT conditions. Exports to India are also seen as a market gap, thus expansion of COT exports to India may give rise to a heightened COT export program to India in the near future.
- At this time exports to the USA may only be done from non-CBS-affected areas. The USA is in the future hopefully going to permit citrus exports from all areas from South Africa, including the Eastern Cape and the Northern Provinces. The interesting dynamic around this development would be the

logistical and shipping requirements affecting exports from the ports of Durban and Eastern Cape (Coega and/or PE) to the USA. In order to ensure the program remains cost effective and sustainable, a high volume of citrus would be required to be shipped from these respective ports. Quite a bit of dialogue and planning would be required, but in the interim it may be the case that all exports to the USA may necessitate routing via the Cape Town port for profitable scale to be achieved.

- In the case of South Korea, the APQA will despatch three officials to SA in February 2025 to conduct dual audits on Citrus and Table Grapes. Should the APQA be satisfied with the outcome of the audit, they would then permit DALRRD to conduct independent inspections. This initiative will ensure that the cost of exporting to South Korea will be reduced overall.

There was limited reporting of cold treatment failure or a failure to execute cold treatment shipments during 2024. However, this may not be a signal that the cold treatment failures as experienced in past seasons has been reduced. The CRI has published guidelines on the effective handling and preparation of cold treatment container shipments. There are no known statistics or reports on this trend. As market access is granted to new markets; many of which stipulate cold treatment protocols are to be applied, the correct application of cold treatment should be fundamental to ensure producers can access markets with minimal disruption, minimizing cost of failing the protocol, and also importantly ensuring customer supply.

It must also be emphasized that the CGA coordination of the Japan and South Korea Special Export Programs were exceptionally well coordinated and managed by the respective CGA program staff.

Table 7: Cold treatments (COT) shipments by port by country in pallets (Source: PPECB)

Sum of Pallet Qty		Year			
Exit Port	Country	2021	2022	2023	2024
Cape Town	USA	29 942	37 062	58 014	63 996
	MAURITIUS	2 201	1 917	932	1 922
	CHINA	2 967	1 256	3 480	1 104
	INDIA	579	500	457	1 001
	TAIWAN	2 460	1 762	739	739
	INDONESIA	480	100	320	100
	SRI LANKA	468	80	102	61
	JAPAN	400	300	135	40
	PHILIPPINES	176		395	40
	VIETNAM	30	20		20
	JORDAN	180	20	71	
Cape Town Total		*39 883*	*43 017*	*64 645*	*69 023*
Durban	CHINA	164 361	172 530	125 761	103 351
	INDIA	16 270	21 970	20 396	22 987
	SOUTH KOREA	5 760	9 342	4 454	7 340
	TAIWAN	7 674	8 719	4 044	5 665
	JAPAN	8 680	15 384	5 535	5 402
	INDONESIA	1 734	2 040	2 457	3 159
	MAURITIUS	2 602	2 698	2 410	2 884
	SRI LANKA	1 674	320	220	860
	VIETNAM	91	350		700
	PHILIPPINES	720	860	598	640
	THAILAND	57	40	80	320
	JORDAN	2 262	2 473	2 584	200
Durban Total		*211 885*	*236 726*	*168 539*	*153 508*
PE/Coega	INDIA	1 839	3 199	2 938	4 279
	CHINA	2 379	4 336	8 553	3 890
	TAIWAN	1 000	2 254	672	2 093
	MAURITIUS	798	1 207	861	1 225
	PHILIPPINES	59	60	458	914
	INDONESIA	100	80	40	200
	JORDAN	760	827	1 328	180
	SRI LANKA	339	360	20	100
	VIETNAM	60		20	60
	JAPAN		60	20	20
	THAILAND	19			20
PE/Coega Total		*7 353*	*12 383*	*14 910*	*12 981*
Maputo	INDIA			20	
	CHINA		40		
Maputo Total			*40*	*20*	
Grand Total		*259 121*	*292 166*	*248 114*	*235 512*

9. CGA logistics engagements and logistics communication platforms.

Logistics engagements.

A fundamental part of the CGA logistics portfolio is to engage at all levels across the citrus export supply chain. Throughout the season engagements directly, by online means and through presentations were held frequently. The citrus export industry is at the forefront of the logistics agenda nationally and in particularly so with regard to its co-operation with Transnet. A new approach to communication and integration with TPT was rolled out in 2024 termed 'Continuous Improvement' or 'War Rooms'. These weekly or in some cases twice weekly meetings were of immense value.

CGA Logistics Communication Platforms.

CGA has developed a number of logistics and shipping communication platforms available to communicate industry developments as well as provide statistics as follows:

- Weekly CGA logistics and shipping reports.
- WhatsApp CGA logistics and shipping community platform.
- WhatsApp groups for each port corridor region.
- Logistics update podcasts with Lucentlands Media.
- Logistics and shipping dashboards.

10. Summary of noteworthy logistics and shipping developments.

Hapag Lloyd Citrus Connect shipping service.

After consultation, a core group of citrus producers and exporters contracted a shipping service provided by Hapag Lloyd termed 'Citrus Connect'. The service rotation was Durban, Port Elizabeth to Europe which ran 14 vessels from June to September 2024. The volume of containers shipped exceeded the contracted volume. CGA and FPEF met with Hapag Lloyd every fortnight to run through volume assumptions and therefore aligned with producers and exporters for the achievement of the contracted target. It was a very successful venture paving the way for future developments in the shipping space.

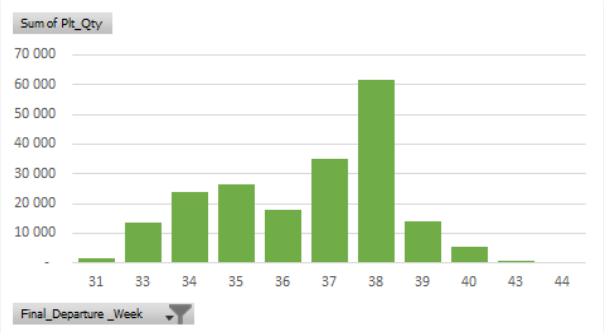
Maersk and MSC shipping services via Coega and PE ports to Europe.

Maersk introduced the Reefer Plus service to PE port a number of years ago as a means to ensure the Eastern Cape citrus producers could access the Europe market more effectively. Due to the rotation change of the SAECS service, it was fundamental that an additional service was introduced as a countermeasure. In 2024 Maersk continued this approach with the WAF1 service which called at either Coega or PE ports to Europe transhipping via Algeciras. MSC also added a Europe service which called at Coega and PE ports. Thus, altogether, three independent Europe services called into the Eastern Cape to augment shipping access to Europe for the region's producers.

Bunching of Orange exports to Europe.

Although this is not strictly a logistics matter, it does have relevance in that the overrun of Orange exports to Europe between weeks 37 and 38 caused a bottleneck of reefer container exports through the port system. The dialogue that needs to take place is how to better forecast such a scenario with the aim of preventing such an overrun. Not only to manage the logistics and shipping complexity brought about, but also in terms of preventing a negative market reaction. As citrus production heads towards and exceeds 200 million cartons, this type of phenomenon must be avoided. A project is underway by the Bureau for Food and Agricultural Policy (BFAP) to provide better detail and insights to this.

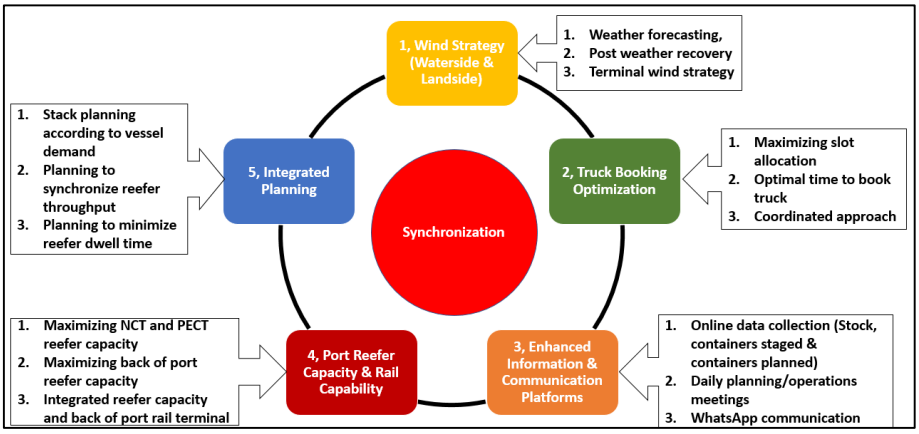
Chart 1: Exports of Oranges to the EU between weeks 31 through 44 of 2024.



Reefer optimization project.

Engaging extensively with the Eastern Cape port ecosystem during 2024, it become evident that there needs to be a focus on coordinating the flow of reefer containers planned to be transported to and shipped from the ports container terminals. A project was presented to Transnet who have responded favourably. As we set out into season 2025, project initiation will begin and rolled out in each corridor region. The 5 main elements of the project proposal are outlined in diagram 2 below.

Diagram 2: Outline of the 5 key points under the Reefer Optimization Project.



Highlighted in table 8 below is the significance of the reefer container dwell time in port requiring a stronger focus on optimizing the routing of reefer containers through the respective port eco systems.

Table 8: Dwell time of reefer containers routing from Eastern Cape ports in 2024 (Source: Agrigate One)

	0Days	0-3Days	4-7Days	8-10Days	11-14Days	15-21Days	22Days+	
Average Dwell CS to LD on Board	0%	18%	40%	22%	12%	6%	2%	Average time a container was packed and loaded on a ship
Average Dwell Gate In to LD on Board	0%	32%	44%	16%	5%	3%	0%	Average time a container was stacked at NCT/PECT and loaded on a ship
Average Dwell CS to Gate In	51%	82%	11%	3%	2%	2%	0%	Average time a container was packed and stacked at NCT/PECT
		In effect, 49% of reefer containers loaded from E Cape region are not gated into termimal on the same day of packing the container.						
		Therefore one can assume these containers were either 1) parked off not plugged in somewhere, or 2) offloaded and plugged in at a depot incurring cost						
		18% of Reefer containers are loaded on board a ship within 3 days of packing the container						
		57% of Reefer containers are loaded on board a ship within 7 days of packing the container						
		43% of Reefer containers are loaded on board a ship longer than 7 days of packing the container						

Citrus exports from East London port.

Driven by TPT and the Department of Agriculture in the Eastern Cape, a project has been initiated that seeks to explore the practicalities of introducing the port of East London as an additional port for the exporting of citrus from the Eastern Cape region. A project team has been put together and representation by CGA and producers from the Eastern Cape Midlands are part of the project team.

Distress vessels calling into SA ports.

Due to the restricted use of the Red Sea route, there are at present in excess of 6,000 vessels transiting Southern African waters at any point in time. This means that should a vessel come into distress, that vessel may potentially call at a South African port for recovery. Four known such incidents occurred during the 2024 citrus export season. The CMA CGM Belem was one such vessel that called at the Coega port to discharge, load or re-stow dislodged containers. The vessel occupied a berth at NCT for a number of weeks, severely limiting the ability of the terminal to handle planned container vessels. The berth restriction, coupled with the weather impacts to port and terminal operations, had a devastating impact on citrus exports. An appeal has been lodged to the Minister of Transport to consider the impact of distressed vessels.

ICTSI PSP at DCT Pier 2 terminal.

International Container Terminal Services Incorporated (ICTSI) were to proceed with operational control of DCT Pier 2 by April 2024. A successful court interdict was brought against the awarding by Transnet to ICTSI of the

contract due to technicalities within the RFQ process. A further court hearing is set to determine the validity of the contract awarded to ICTSI, thus, at this time, TPT resumes operational control of DCT Pier 2.
While the legal process must run its course, the resultant delay in a public private partnership at Pier 2 is of serious concern. Public private partnerships remain the only long-term option through which the terminal efficiency required to realise the Vision 260 goal can be achieved.

Exports from Maputo port.
730 Reefer containers were exported from Maputo to Middle East and Asian markets against 2,500 containers planned. Much scoping was done to understand how to position Maputo to further expand citrus exports. Access to Middle East markets via sustainable shipping options are available and are being utilized from Maputo. Future expansion of exports from Maputo rests largely with accessing important markets in Asia, SE Asia and the Far East. The Maputo hinterland is a growing area for Grapefruit and these markets are the main markets for Grapefruit exports. There are a few key elements required to access important markets such as China, Japan and South Korea, including: 1) approved preclearance inspections by DALRRD, 2) cold storage infrastructure on the Maputo N4 corridor on the South African side, 3) access of rail to service the cold store to deliver and collect reefer containers for export, and 4) direct shipping access from Maputo to these key markets. The intention is to forge ahead with these developments in collaboration with FPEF.

Private sector rail transport services.
2024 set the foundation for access by private rail operators to run trains on the South African rail network. The updated Rail Network Statement has been published. It outlines the parameters for private operators to access the network, from this slot allocations will be given for private operators to tender for. It is understood that slot allocations will not be given for the entre rail network but certain network routes only for the time being. The citrus industry's interest at the moment is with slot allocations on the Container Corridor route between Durban and Gauteng and the Coal Corridor route between Maputo and Nelspruit. Both these corridors are believed to be on the scope for the awarding of slot allocations.
As we enter 2025, the scope of private sector involvement in the rail network and services offered by private rail operators will become clearer. To this end, rail transport in South Africa will engage on a new evolutionary and possibly revolutionary journey. It will be a journey that requires huge amounts of capital and commitment by and between industries and rail partners in the long-term. We must now understand and be aware that Transnet Freight Rail has been dissolved into three different operating divisions, namely 1) Transnet Freight Rail Operating Company (TFROC), 2) Transnet Rail Infrastructure Manager (TRIM), and 3) Transnet Rail Leasing Company (TRLC). TFROC will become but one of a number of rail operating companies that will be selected to be a rail operating company of choice. Contained in the Rail Network Statement is the cost allocation and parameters that each train will be billed by TRIM for the use of the rail network.

11. Conclusion

2024 was an unusual season on many fronts, with the logistics and shipping space not being spared. It was also a year wherein much dialogue and thought-provoking initiatives were set in motion. It was a year that will set the scene for many seasons to come – logistically speaking. Logistics has to some extent not only taken centre stage nationally, but it has definitely taken centre stage within the broader industry. Although the contents of the report focusses on challenges, personally I am very optimistic about what lies ahead. We have a Minister of Transport who has taken the lead on personally engaging to understand the pain points, constraints and, most importantly, the opportunities. We have very progressive and forward-thinking people in the citrus export logistics space. We have a committed and dedicated team at Transnet and a COO who is highly enthusiastic about our renewed approach to integrating and collaborating across the Transnet operating divisions. There is an extensive procurement drive for much needed equipment across the South African container terminals, and it is set to yield positive results. The recently published Rail Network Statement will pave the way for the first private rail operators to run trains on the South African rail network - something I personally will celebrate as a significant milestone in South Africa’s logistics history. It is unfortunate that the public private partnership at the DCT Pier 2 terminal is delayed, but come what may, more partnerships in this vein are needed. We are witnessing collaboration amongst the fruit export fraternity par none, creating competition in the shipping space

never seen before, apart from the Summer Citrus collaboration. Keeping an industry-wide perspective will surely pave the way for enhanced and effective shipping services. The 2025 citrus season is sure to bring another interesting mix of events in the logistics and shipping space. We have presented to Transnet a Reefer Export Optimization Project. The project aims to centrally coordinate with Transnet and the greater citrus logistics eco system the reefer export planning and operational process. The biggest pain point I see in the short term is merely getting containers to terminal stacks in a decent timeframe. This project aims to assist and will be at the centre stage of the 2025 season ahead.

A very big thanks to all who connected and engaged along our journey to ensuring the sustainability of Southern Africa's citrus farmers, who provide livelihoods to 140 000 people on farm level and many more in the upstream and downstream value chains. A special word of thanks to Dave Watts and Antoinette van Heerden, as we collaborated in the respective port spaces.

"Leaders win through logistics. Vision, sure. Strategy, yes. But when you go to war you need to have both toilet paper and bullets at the right place at the right time. In other words, you win through superior logistics" Tom Peters.

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12. ***Annexure 1: Summary of logistics focus areas identified in the report***

Highlighted in Annexure 1 are considered to be important focus areas

No.	Focus Area	Description
1.	Seasons production estimates	The request is for the seasons estimates to reflect best overall production volume considering local harvesting and production conditions and global trends.
2.	Shipping services aligned to each regional corridor.	The request is for shipping routes from each regional corridor that permits cargo originating from a corridor region not to migrate to another regions corridor. Unless for strategic reasoning.
3.	Shipping services from Eastern Cape region to Far East, Asia and South East Asia.	Motivation for dialogue as to whether or not there is demand for a dedicated and direct service required from the Eastern Cape to this region.
4.	Consignment damage due to ailing roads and/or road network upgrades.	The request is for Citrus packhouses to ensure palletization is done in accordance to the CRI Packaging Guidelines and for road truck loads to be sufficiently secured during transit.
5.	Cold chain focus on sensitive citrus types.	Recommendation to citrus producers and exporters to focus on maintaining cold chain during transport and cold store handling. Consideration for signed handing requirements for sensitive citrus types between cold store operators, producers and exporters.
6.	Railing of refrigerated containers of citrus from hinterlands to ports for export.	There needs to be movement to use reefer containers to import compatible goods to the hinterland thus reducing the high cost of railing empty containers inland. Container shipping lines are in the best position to upscale this mode of rail transport for the citrus industry as lines have rail contracts, have the oversight of empty container equipment and control the logistics process.
7.	Rail Runner Africa transport mode.	Implementation of a project initiation team set up to trial the Rail Runner Africa transport concept.
8.	Rail transportation – short haul.	Encourage the use of short haul rail transport to increase effectiveness of reefer container penetration to container terminals – 1. Belcon in WC. 2. Deal Party in EC. 3. Catcon in KZN.
9.	Increase exports from Maputo Port.	In terms of Vision 260, the Northern Regions will at some point produce >108 million cartons of citrus for export. Diversification to Maputo port is paramount to sustain this level of export volume and prevent foreseeable bottlenecks in the Durban port. Key elements to this project are seen as follows – 1. Cold store development on N4 corridor. 2. Approved DALRRD/BMA inspection point for exports to key GF markets. 3. Rail terminal and rail access to DP World Maputo. 4. Direct and sustainable shipping services to key markets in Far East, Asia and SE Asia.
10.	Specialized Reefer Vessel (SRV) shipping.	Sustain the SRV mode of shipping from Southern Africa as a key strategic shipping option. Explore co-loading of citrus exports to Japan, China and South Korea.
11.	Driving sustainability, efficiency and effectiveness	CGA Vision 260 outlines the possibility of 25% growth in container exports from Southern Africa from 96,000 units

	in the containerized eco system.	annually to 122,000 units by 2027. It is deemed imperative that efficiency gains are met to achieve this goal by implementing the following – 1. Private Sector Participation at the ports container terminals. 2. Increase container productivity waterside and landside to globally comparative levels. 3. Enhancement of TPT truck booking system to achieve set out objectives. 4. Implementation of weather disruption mechanisms, countermeasures and contingencies. 5. Enhancement of reefer export stack dates to maximize stack date usage across 24/7 operations. 6. Increase terminal reefer plug point capacity in line with seasonal forecasts and projections. 7. TPT CTOC agreements set out to enhance citrus shipping effectiveness. 8. Shipping lines to deploy empty reefer container equipment in line with seasonal forecasts and projections.
12.	Reefer Optimization Project.	Commissioning of the project proposal as outlined in the project document.