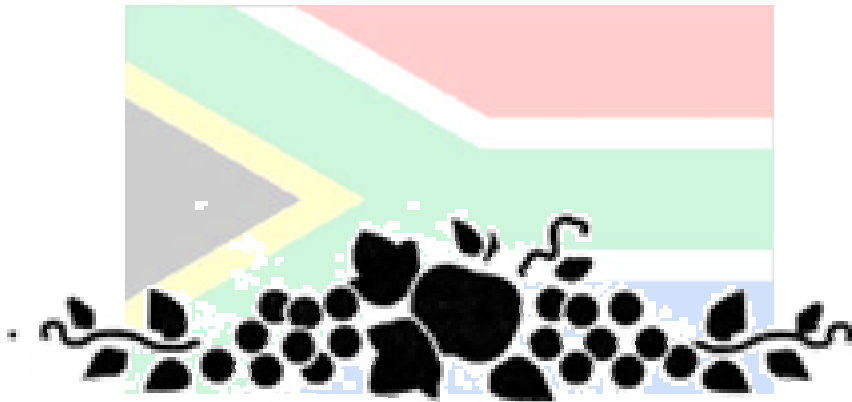


# Frudata SA

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Results of Study to Assess the Impact of  
RSA Class 1 Exports  
To African and Indian Ocean Island Countries  
For Pome and Stonefruit



Prepared for  
National Agricultural Marketing Council  
Private Bag X935  
Pretoria  
0001

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## 1. BACKGROUND AND BRIEF

The RSA 1 standard to Africa was developed over a number of years and was described in the regulation as “Standards for Destination B Countries”. The standard was developed as these countries requirements were different from the standards set by the European Union.

In the 1990’s it was decided that the different standards were difficult to maintain and manage and that there was little difference between the RSA 1 standard and EU2 standard. The destination B standard was therefore discontinued and the RSA 1 standard was allowed by way of general dispensation. This dispensation refers to the Class 2 standard in the current regulation.

The Department of Agriculture (DoA) has annually implemented such a dispensation (on application) from the stone and pome fruit industries. This was however reconsidered when an objection was received in December 2005 regarding the granting of this dispensation for the 2006 season. This, coupled with broader concerns that granting a dispensation might be in contravention of international commitments, led the Department to inform the industry that the dispensation would not be granted for 2006.

After discussions involving the industry and the National Agricultural Marketing Council (NAMC), it was decided that the dispensation would be extended until the end of 2006 in order for these Departments to undertake a comprehensive investigation.

As a result of this, it was agreed that research would be undertaken to investigate the impact of RSA Class 1 exports in terms of reactions and possible impact in African countries, and implications for South African International fruit trading commitments, etc.

Frudata SA (Pty) Ltd was commissioned by the NAMC to undertake this research in August 2006.

### 1.1 *Specific Terms of Reference*

- To provide background information regarding the current problem :
  - Development of the existing standards and regulations and the context of these developments
  - Introduction of dispensations for RSA Class 1 and the motivation for this
  - Current views of all role players on the granting or not granting of a dispensation for RSA Class 1 to Destination B countries
- To look at relevant local and international legislation and international commitments (CODEX) and the potential implications of exporting Class 2 as RSA Class 1 in terms of these.
- To look at the potential long term economic impact if the dispensation were to be removed or perpetuated.
- To look at the volumes exported over time and trends, with Perishable Products Export Control Board (PPECB) data to be consulted.

- To look at the international situation
  - What are competitor countries doing in these markets in terms of Class 2 fruit?
  - How are they labelling the fruit?
  - What marketing channels are they using?
  - What are the most important markets for competing countries and what are the most important export windows for these countries?
- Identify strategically important markets (at least three) to be visited as part of a study tour.
- To propose possible long term solutions (i.e. a permanent mechanism) to facilitate exports (of fruit currently being exported in terms of the dispensation for RSA Class 1) to these markets (while addressing the concerns raised regarding the current arrangements).

## 1.2 *Research Team*

The research team was as follows:

Chris Ferrandi, Frudata (Pty) Ltd  
 Peter Dall, Peter Dall Consultancy  
 Mike Kreft, Kreft Consulting

## 2. **METHODOLOGY**

Potential roleplayers were identified (see **Annexure A**), and an initial letter was sent to them, sketching the purpose of the study (**Annexure B**). Once the roleplayers had been identified, a letter was sent out to requesting their co-operation in terms of supplying the data and completing the questionnaire (**Annexure C**).

The initial idea was to interview the role players identified, but after consultation with the Department of Agriculture, it was decided to send out the questionnaires, and then follow up with telephone interviews, where necessary. The questionnaire was sent to the roleplayers (**Annexure F**) and the answers were summarised (**Annexure G**). Each role player was allocated a unique number, so as to ensure the confidentiality of the information supplied by the individual role-players. A total of 24 role players completed the questionnaire (**Annexure D**).

The volumes exported and Rand FOB values per fruit kind, variety, market and year (from 2004 to 2006) was requested from the various roleplayers, and this was then summarised. The information received from the role players was verified by comparing it to various industry figures, but was not audited in any way. A total 13 role players supplied volume and Rand FOB values (**Annexure E**).

In consultation with the NAMC, it was decided that a study tour to the strategically important markets will not form part of this study.

### 3. RESULTS

#### 3.1 Volumes

Table 3.1 shows the export percentage per market, and the calculated tons per market segment.

Table 3.1 Exports per market and Africa and Indian Ocean Islands percentage:2005

	2005						
	Apples	Pears	Grapes	Plums	Peaches	Nectarines	Apricots
Africa & Indian Ocean Islands	12.7	3.1	1.5	4	3.5	2.5	0
Europe	26.3	62.9	66.5	56	33	23.5	58
UK	41.4	21.8	24	31	39	58	32
Far East	4.7	3.9	3	2	0	0	1
Middle East	14.8	8.3	3	7	24.5	16	9
USA & Canada	0	0	2	0	0	0	0
Total tons exported (All markets)	226,614	153,646	211,129	39,691	2,247	5,479	3,554
Calculated Africa & Indian Ocean Islands tons	28,779	4,763	3,167	1,588	79	137	0

Source: PPECB and DFPT Annual Statistics, 2005

From this table it can be seen that apples, pears and plums formed the largest percentage of deciduous fruit sent to Africa and the Indian Ocean Islands. In terms of tonnages, apples and pears comprised the largest portion (33,770 tons), which represents 87,1% of total deciduous fruit export volumes into Africa and the Indian Ocean Islands. Therefore, this report will concentrate on these two fruitkinds.

Tables 3.2 and 3.3 show the historical exports of apples and pears, respectively, for the past 5 seasons. For apples, the African and Indian Ocean Island business contributes between 10% and 13,5% per annum, whilst the corresponding figures for pears is between 1% and 3,5%.

**Table 3.2**      *Apple Exports (Pallets): Historical Exports for the past 5 seasons*

Destination	Year				
	2002	2003	2004	2005	2006
West Africa	26,117	27,669	20,183	18,703	18,820
Indian Ocean Island	9,706	10,001	10,766	10,107	8,987
East Africa	1,779	3,410	4,414	3,237	3,018
Central Africa				1,657	1,798
Other African countries	615	2,298			
<b>TOTAL AFRICA &amp; INDIAN OCEAN ISLANDS</b>	<b>38,217</b>	<b>43,378</b>	<b>35,363</b>	<b>33,704</b>	<b>32,623</b>
<b>PERCENTAGE</b>	<b>13.2%</b>	<b>13.2%</b>	<b>10.5%</b>	<b>12.7%</b>	<b>12.8%</b>
United Kingdom	104,941	117,707	121,806	110,138	109,880
Northern Europe	73,059	89,982	91,874	59,579	47,084
Asia	2,265	232	2,425	22,817	27,006
Far East	37,259	32,772	40,207	12,566	15,040
Middle East	11,674	17,791	17,716	12,632	14,161
Russia	2,986	7,753	9,434	1,279	4,225
Canada	5,663	7,877	6,861	3,487	2,299
Mediterranean countries	7,024	3,092	2,817	857	1,384
United States	3,814	1,614	1,727	267	400
Southern Europe	3,241	7,158	6,487	827	222
Western Europe				7,329	
Central Europe				21	
Central America	42				
<b>TOTAL</b>	<b>290,185</b>	<b>329,356</b>	<b>336,717</b>	<b>265,503</b>	<b>254,324</b>

Source: PPECB

**Table 3.3** Pear Exports (Pallets): Historical Exports for the past 5 seasons

Destination	Year				
	2002	2003	2004	2005	2006
Indian Ocean Island	938	852	1,331	1,919	2,108
West Africa	444	559	369	2,035	1,437
East Africa			162	29	81
Central Africa				6	77
Other Africa countries		100			
<b>TOTAL AFRICA &amp; INDIAN OCEAN ISLANDS</b>	<b>1,382</b>	<b>1,511</b>	<b>1,862</b>	<b>3,989</b>	<b>3,703</b>
<b>PERCENTAGE</b>	<b>1.2%</b>	<b>1.5%</b>	<b>1.4%</b>	<b>3.1%</b>	<b>3.2%</b>
Northern Europe	65,456	56,173	71,937	68,487	57,919
United Kingdom	27,389	21,707	26,306	28,339	28,398
Russia	1,229	3,161	8,699	2,334	5,822
Far East	6,522	7,735	8,818	5,135	5,650
Asia	193	20	323	5,135	5,338
Mediterranean countries	2,140	1,938	3,273	3,680	3,014
Middle East	1,015	757	1,709	2,694	2,693
Canada	1,936	1,796	2,913	2,687	2,259
Southern Europe	6,308	4,432	7,683	1,748	1,344
United States	393	20	1,549	140	828
Western Europe				5,275	
Eastern Europe				120	
Central Europe				103	
<b>TOTAL</b>	<b>113,963</b>	<b>99,250</b>	<b>135,072</b>	<b>129,866</b>	<b>116,968</b>

Source: PPECB

The percentage of pears exported to Africa and the Indian Ocean Islands has increased over the last five years.



Table 3.4 shows the volume of apples and pears as submitted by the 23 roleplayers, as a percentage of the total industry volume sent to Africa and the Indian Ocean Islands. No calculation has been made for 2006 because the export season is still in progress.

**Table 3.4** Volume submitted by roleplayers versus total industry volumes

	2004	2005	2006
Apple volumes submitted by 13 role players: (Kg) (A)	28,407,400	19,624,065	17,535,904
Pear volumes submitted by 13 role players (Kg) (B)	1,051,391	1,076,519	1,337,367
Apples to Africa and Indian Ocean Islands per PPECB (kg) (C)	29,609,790	29,006,592	-
A / C	96%	68%	-
Pears to Africa and Indian Ocean Islands per PPECB (kg) (D)	1,884,428	4,763,026	-
B / D	56%	23%	-

From this table it can be seen that the representation for apples in 2005 is 68% and 96% in 2004, whilst for pears the corresponding figures are 23% and 56%, respectively. No comparison was made for 2006, because the export season is still in progress.

Table 3.5 shows the total volume of the submitted roleplayers data from 2004 to 2006.

**Table 3.5** Total volume (kilograms) of submitted data from 2004 to 2006

	2004	2005	2006
Apples	28,407,400	19,624,065	17,535,904
Apricots	1,177	900	8,925
Grapes	386,537	474,348	1,144,886
Nectarine	38,113	22,721	56,704
Peaches	14,457	5,630	22,288
Pears	1,051,391	1,076,519	1,337,367
Plums	200,461	297,646	454,978
<b>Total</b>	<b>30,099,536</b>	<b>21,501,829</b>	<b>20,561,052</b>

Table 3.6 shows the main export regions for Africa and the Indian ocean Islands for apples of the submitted data.

**Table 3.6** Main export regions for apples: 2004 to 2006

Region	2004		2005		2006	
	Kilogram	Percent	Kilogram	Percent	Kilogram	Percent
Central Africa	412,061	1.5%	728,652	3.7%	688,431	3.9%
East Africa	1,837,639	6.5%	1,444,634	7.4%	1,260,319	7.2%
Indian ocean Islands	3,373,552	11.9%	2,896,069	14.8%	2,734,643	15.6%
North Africa	1,236,620	4.4%	248,346	1.3%	622,398	3.5%
West Africa	19,609,769	69.0%	14,051,804	71.6%	10,879,751	62.0%
Not specified	1,937,760	6.8%	254,560	1.3%	1,350,362	7.7%
<b>Total</b>	<b>28,407,400</b>	<b>100.0%</b>	<b>19,624,065</b>	<b>100.0%</b>	<b>17,535,904</b>	<b>100.0%</b>

From this table it can be seen that the West African and Indian Ocean Islands comprise approximately 80% of the exports each year.

A similar situation is applicable for pears (see Table 3.7).

**Table 3.7** Main export regions for pears: 2004 to 2006

Region	2004		2005		2006	
	Kilogram	Percent	Kilogram	Percent	Kilogram	Percent
Central Africa	2,250	0.2%	4,500	0.4%	26,488	2.0%
East Africa	21,750	2.1%	27,000	2.5%	7,875	0.6%
Indian ocean Islands	582,804	55.4%	579,732	53.9%	416,049	31.1%
West Africa	351,725	33.5%	445,950	41.4%	474,388	35.5%
Not specified	92,863	8.8%	19,338	1.8%	412,568	30.8%
<b>Total</b>	<b>1,051,391</b>	<b>100.0%</b>	<b>1,076,519</b>	<b>100.0%</b>	<b>1,337,367</b>	<b>100.0%</b>

Tables 3.8 and 3.9 show the percentage composition of the various apple and pear varieties, for the submitted data.

**Table 3.8** *Percentage composition of apple varieties: 2004 to 2006*

Variety	2004		2005		2006	
	Kilogram	Percent	Kilogram	Percent	Kilogram	Percent
Braeburn	2,328	0.1%	9,198	0.1%		
Fuji	1,342	0.1%	11,753	0.1%	45,406	0.3%
Gala / Royal Gala	331,697	1.2%	219,050	1.1%	302,800	1.7%
Golden Delicious	19,693,384	69.3%	13,691,629	69.8%	11,259,505	64.2%
Granny Smith	1,061,200	3.7%	685,232	3.5%	796,640	4.5%
Not specified	1,696,747	6.0%	953,452	4.9%	1,698,174	9.7%
Pink Lady / Cripps Pink	125,739	0.4%	83,439	0.4%	103,950	0.6%
Red varieties	5,494,963	19.1%	3,970,313	20.1%	3,329,429	19.0%
<b>Total</b>	<b>28,407,400</b>	<b>100.0%</b>	<b>19,624,065</b>	<b>100.0%</b>	<b>17,535,904</b>	<b>100.0%</b>

**Table 3.9** *Percentage composition of pear varieties: 2004 to 2006*

Variety	2004		2005		2006	
	Kilogram	Percent	Kilogram	Percent	Kilogram	Percent
Beurre Bosc					22,680	1.7%
Bon Chretien	99,005	9.4%	80,819	7.5%	126,100	9.4%
Bon Rouge	8,763	0.8%				
Forelle	67,875	6.5%	80,540	7.5%	132,948	9.9%
Not specified	268,163	25.5%	280,900	26.1%	388,388	29.0%
Packhams Triumph	601,586	57.2%	632,525	58.8%	651,376	48.7%
Red d'Anjou	6,000	0.6%				
Rosemarie			1,735	0.2%	15,876	1.2%
<b>Total</b>	<b>1,051,391</b>	<b>100.0%</b>	<b>1,076,519</b>	<b>100.0%</b>	<b>1,337,367</b>	<b>100.0%</b>

The major apple variety is Golden Delicious, which comprises more than 60% of the volume, followed by red varieties. For pears, Packham's Triumph is the main variety with approximately 50% of the volume.

Tables 3.10, 3.11 and 3.12 show the classes of export for apples, pears and plums, for the submitted data.

Table 3.10      *Export classes for Apples: 2004 to 2006*

Class	2004		2005		2006	
	Kilogram	Percent	Kilogram	Percent	Kilogram	Percent
EU 1	4,763,494	16.8%	2,688,925	13.7%	3,101,251	17.7%
EU 2	687,171	2.4%	342,708	1.7%	1,221,331	7.0%
RSA 1	22,956,735	80.8%	16,592,433	84.6%	13,213,322	75.4%
<b>Total</b>	<b>28,407,400</b>	<b>100.0%</b>	<b>19,624,065</b>	<b>100.0%</b>	<b>17,535,904</b>	<b>100.0%</b>

Table 3.11      *Export classes for Pears: 2004 to 2006*

Class	2004		2005		2006	
	Kilogram	Percent	Kilogram	Percent	Kilogram	Percent
EU 1	182,525	17.4%	227,797	21.2%	367,201	27.5%
EU 2	207,000	19.7%	166,250	15.4%	186,304	13.9%
RSA 1	661,866	63.0%	682,473	63.4%	783,863	58.6%
<b>Total</b>	<b>1,051,391</b>	<b>100.0%</b>	<b>1,076,519</b>	<b>100.0%</b>	<b>1,337,367</b>	<b>100.0%</b>

Table 3.12      *Export classes for Plums: 2004 to 2006*

Class	2004		2005		2006	
	Kilogram	Percent	Kilogram	Percent	Kilogram	Percent
EU 1	65,659	32.8%	61,453	20.6%	129,990	28.6%
EU 2	21,799	10.9%	43,786	14.7%	25,509	5.6%
RSA 1	113,003	56.4%	192,407	64.6%	299,479	65.8%
<b>Total</b>	<b>200,461</b>	<b>100.0%</b>	<b>297,646</b>	<b>100.0%</b>	<b>454,978</b>	<b>100.0%</b>

From these tables it can be seen that RSA Class 1 plays an important role in the exports to the African and Indian Ocean Islands for these fruitkinds, with apple volumes comprising more than 70% of RSA Class 1 export volumes to the region.

### 3.2 Summarised Results of the Questionnaire

Full details of the questionnaire results for the 24 roleplayers are contained in **Annexure G**.

The summarised results are as follows:

- 17 out of 24 replies indicated that they export more than 1,000 pallets per annum.
- All roleplayers traded in apples, while 22 traded in pears, 18 in table grapes and 16 in plums, peaches and nectarines.
- All the roleplayers exported to West Africa, with 21 exporting to Indian Ocean Islands and 18 to East Africa.
- 5 roleplayers have been doing business in the region for more than 5 years, while 8 have traded in the region for 8 – 12 years.
- Payment terms are mainly cash up front (14 / 24 roleplayers), while Letter of Credit is the next most popular option (10 / 24 roleplayers)
- Only 9 of the 24 roleplayers have credit terms in their dealings in the region.
- 22 out of 24 roleplayers use sea freight as their most important transport to the region.
- Wholesalers are the most important client traded with in the region.
- All roleplayers traded in RSA Class 1 apples, pears and stonefruit.
- There were 14 roleplayers who traded in RSA Class 1 grapes in 2005, and 12 roleplayers who traded in the same class of grapes in 2006.
- Other classes of grapes traded in, in 2005, were EU Class 1 (4 roleplayers) and EU Class 2 (1 roleplayer). In 2006, 5 roleplayers traded in EU Class 1 grapes, and 2 in EU Class 2 grapes.
- For apples and pears, the carton type used by 23 out of 24 roleplayers was Mark IV, telescopic carton.
- For plums, the majority of exports to the region were in 5.25kg double layer cartons, with only 3 roleplayers utilising punnet packaging for exports to the region.
- 18 of the roleplayers used 4,5kg cartons for grape exports, while 2 used punnets and 2 used the 9-kg. carton.
- Kenya and Uganda were the only two countries not allowing Class 2 imports of fruit, although documentation could not be supplied to prove this.
- 22 out of 24 roleplayers indicated that export volumes to the region would decrease, if Class 2 can no longer be labelled as RSA Class 1, given the same quality. (The range of the reduction varied, but the major portion of replies indicated a reduction of 11% and 50%).
- 19 out of 24 roleplayers replied that prices would decrease if Class 2 can no longer be labelled as RSA Class 1.
- 18 out of 24 roleplayers indicated that other countries exporting to the region would increase their export volumes should the RSA Class 1 standard be scrapped.
- Should the export volumes decrease as a result of the scrapping of RSA Class 1 exports, the roleplayers indicated that the most likely market that this fruit would be sent to is the local RSA municipal markets, with RSA retail markets as the second most likely market.

- The scrapping of the exports of RSA Class 1, could also cause an increase in the volumes being sent to Eastern Europe, Namibia, Botswana, Zimbabwe and Mozambique.
- The roleplayers indicated that other countries exporting to the region marked their fruit as Class 1 (9 out of 24 roleplayers), while 9 roleplayers indicated that they were not sure what the other exporting countries were labelling their fruit as.

#### 4. FOB RETURNS

Table 4.1 shows the total value of FOB exports for all deciduous fruit, and the calculated FOB value for Africa and Indian Ocean Islands

*Table 4.1*      *FOB Value of deciduous fruit exports in 2005: Industry versus African and Indian Ocean Islands*

Fruitkind	African & Indian Ocean Islands (% volume) (A)	FOB value (Rand – million) (B)	Calculated Africa & Indian Ocean Islands FOB value (Rand – million) (B x A)
Apples	12.7%	904.72	114.89
Pears	3.1%	617.83	19.15
Grapes	1.5%	1,805.19	27.08
Plums	4%	299.63	11.99
Peaches	3.5%	28.15	0.99
Nectarines	2.5%	54.64	1.37
Apricots	0%	31.52	0.00
<b>Total</b>		<b>3,741.68</b>	<b>175.47</b>

Source: PPECB & DFPT

The African and Indian Ocean Islands FOB value has been calculated by applying the percentage of volume sent to this market segment (as per *table 3.1*), to the total Rand FOB value. (This can be regarded as a reasonable assumption, because the FOB value per kilogram, is similar or even slightly higher for exports to African and the Indian Ocean Islands – see *Table 4.5*).

The estimated total FOB value of exports of deciduous fruit to African and Indian Ocean Islands was therefore R175.47 million in 2005.

Table 4.2 shows the total FOB Rand value for all fruitkinds, based on the information obtained from the 13 roleplayers who supplied data.

**Table 4.2** *FOB Rand per fruitkind: 2004 to 2006*

<b>Fruitkind</b>	<b>2004</b>	<b>2005</b>	<b>2006 *</b>
Apples	98,542,854	78,798,170	69,637,046
Apricots	21,905	23,020	64,600
Grapes	2,868,471	4,113,412	9,317,477
Nectarine	268,676	240,801	543,304
Peaches	138,773	53,310	218,669
Pears	4,586,318	4,475,160	5,735,716
Plums	1,620,508	2,560,438	4,042,248
<b>Total</b>	<b>108,047,503</b>	<b>90,264,312</b>	<b>89,559,060</b>

\* Up to 30 September 2006.

Table 4.3 shows the FOB value per fruitkind per kilogram.

**Table 4.3** *FOB Value per fruitkind per kilogram: 2004 to 2006*

<b>Fruit kind</b>	<b>2004</b>		<b>2005</b>		<b>2006 *</b>	
	<b>Total Rand FOB</b>	<b>Rand FOB per kg</b>	<b>Total Rand FOB</b>	<b>Rand FOB per kg</b>	<b>Total Rand FOB</b>	<b>Rand FOB per kg</b>
Apples	98,542,854	3.47	78,798,170	4.02	69,637,046	3.97
Apricots	21,905	18.61	23,020	25.58	64,600	7.24
Grapes	2,868,471	7.42	4,113,412	8.67	9,317,477	8.14
Nectarine	268,676	7.05	240,801	10.60	543,304	9.58
Peaches	138,773	9.60	53,310	9.47	218,669	9.81
Pears	4,586,318	4.36	4,475,160	4.16	5,735,716	4.29
Plums	1,620,508	8.08	2,560,438	8.60	4,042,248	8.88

\* Up to 30 September 2006.

Table 4.4 shows the calculated Rand FOB value per apple and pear variety.

**Table 4.4** FOB Rand value per apple and pear variety: 2004 to 2006

		2004		2005		2006 *	
	Variety	Total Rand FOB	Rand FOB per kg	Total Rand FOB	Rand FOB per kg	Total Rand FOB	Rand FOB per kg
Apples	Braeburn	7,185	3.09	36,431	3.96		
	Fuji	1,169	0.87	62,098	5.28	221,995	4.89
	Gala	1,312,825	3.96	1,007,558	4.60	1,196,319	3.95
	Golden Delicious	69,481,525	3.53	55,595,002	4.06	44,391,157	3.94
	Granny Smith	2,537,873	2.39	2,764,011	4.03	3,038,895	3.81
	Not specified	6,478,577	3.82	3,875,669	4.06	7,240,655	4.26
	Pink Lady / Cripps Pink	447,877	3.56	385,808	4.62	500,660	4.82
	Red variety	18,275,822	3.33	15,071,592	3.80	13,047,365	3.92
<b>Apples Total</b>		<b>98,542,854</b>	<b>3.47</b>	<b>78,798,170</b>	<b>4.02</b>	<b>69,637,046</b>	<b>3.97</b>
Pears	Beurre Bosc					82,224	3.63
	Bon Chretien	510,239	5.15	425,471	5.26	649,217	5.15
	Bon Rouge	45,707	5.22				
	Forelle	288,861	4.26	342,714	4.26	556,274	4.18
	Not specified	908,148	3.39	1,019,866	3.63	1,515,100	3.90
	Packhams Triumph	2,802,065	4.66	2,677,866	4.23	2,870,135	4.41
	Red d'Anjou	31,297	5.22				
	Rosemarie			9,244	5.33	62,766	3.95
<b>Pears Total</b>		<b>4,586,318</b>	<b>4.36</b>	<b>4,475,160</b>	<b>4.16</b>	<b>5,735,716</b>	<b>4.29</b>

\* Up to 30 September 2006.

Based on the Deciduous Fruit Producers Trust data, the FOB values of the industry as a whole for 2005, compare favourably to those obtained in the data collected from the roleplayers. Details of this are shown in Table 4.5.

**Table 4.5** Industry average FOB returns (Rand per kg.) versus data collected from roleplayers for Africa and Indian Ocean Islands: 2005

Fruit kind	Industry (All markets)	Africa and Indian Ocean Islands	% + or -
Apples	3.96	4.02	+ 1,5%
Pears	4.04	4.16	+ 2,1%
Plums	7.54	8.60	+ 14%
Grapes	8.56	8.67	+ 1,2%

This illustrates that Africa and the Indian Ocean Islands FOB returns, are not inferior versus total industry figures.



## 5. RECOMMENDATIONS

After studying all the facts and opinions on the export of RSA Class 1 pome and stone fruit to Africa and the Indian Ocean Islands the research team proposes the following recommendations, which in their opinion offers a long term solution to the problem.

- The establishment of a fourth grade for apples, pears and plums over and above the three grades presently promulgated namely Extra Class, Class 1 and Class 2.
- The fourth class would have standards just below that of the present Class 1 standards (which are very similar to European Class 1 standards). These standards would not be below the draft Codex Class 1 standards.
- It is proposed that the present Class 1 standard be referred to as EU Class 1 (which already de facto occurs in the industry at present) and the new standard be named Class 1.
- No case could be found for creating a fourth class for nectarines, peaches or apricots.

### 5.1 Apples

The proposed fourth class (Class 1) for apples would be the same as the present Class 1 (EU Class 1) standard except a greater deal of stemend russet and rub marks would be acceptable. It is proposed the stemend russet and rub mark standards for the proposed Class 1 standard be as follows:

- Stemend russeting  
As set out in Annexure 5 of Part 4 of the Department of Agriculture Grading Regulations : Provided that the apples shall be free from smooth stemend russeting which contrasts strongly with the general colour of the apple and which detracts from the overall attractiveness of the apples.
- Rub marks  
A combined surface area of not more than 200mm<sup>2</sup> is allowable.

### 5.2 Pears

The proposed fourth class (Class 1) for pears would be the same as the present Class 1 (EU Class 1) standard except for an increased allowance of rough marks, wind marks, malformation and russeting.

- Blemish rough marks 50mm<sup>2</sup>, provided that the rough marks do not detract from the general appearance of pears.
- Wind marks. As depicted in Annexure 5 of Part 4 of the Department of Agriculture Grading Regulations.
- Malformation. As depicted in Annexure 5 of Part 4 of the Department of Agriculture Grading Regulations.
- Rough russeting, all cultivars. A combined surface area of not more than 200mm<sup>2</sup>.

### 5.3 Plums

The proposed fourth class (Class 1) for plums would be the same as the present Class 1 (EU Class 1) standard except, that the minimum size for export fruit would be 35mm in diameter.

### 5.4 Summary

**The final grading standards for the proposed new fourth grade for apples, pears and plums should be established in consultation with the relevant industry grading committees and all other stakeholders in the industry. The new standards should be promulgated and gazetted as soon as possible. It is proposed that until this is accomplished, the present dispensation for RSA Class 1 exports to Africa and Indian Ocean Islands be extended.**

The proposed new fourth class (Class 1) would not only be permitted for exports to Africa and Indian Ocean Islands but could be applicable to any country in the world. However, market forces would determine which markets would economically accept which grade of fruit.

It must be emphasised that presently the RSA Class 1 fruit being packed for Africa and the Indian Ocean Islands is of a much higher standard than the present Class 2 standards. It should be pointed out that the proposed Class 1 standards would mainly affect exports of Golden Delicious apples and Packham's Triumph pears and size specifications for plums.

It is recommended that the marking of cartons with the words "for Africa only" be stopped as soon as possible because of the negative connotations associated with this marking.

The quantity of apples, pears and plums destined for the African markets that could find their way into other markets, would be negligible. Apple and pear exports destined for Africa are transported either by ship or road and it is not possible to divert this fruit to other markets.

## 6. CONCLUSION

The African and Indian Ocean Island markets, **contributed approximately R176 million (at FOB value)** to the export income of the deciduous fruit industry in 2005. It can therefore be regarded as an important market without which the export industry would be economically worse off.

The main market areas being serviced are **West Africa and Indian Ocean Islands**, and these are being serviced by sea freight. Any trans-shipments to other markets (such as Europe or the Middle East) will therefore be very unlikely.

**Apples and pears are the main export fruit kinds to these regions**, and should any changes to the potential exports to these markets occur, these fruit kinds will be the most affected.

Within apples, the variety **Golden Delicious** is the most popular variety, while for pears, the variety **Packham's Triumph** is the most important.

## ANNEXURE A – Roleplayers contact list

### ROLEPLAYERS CONTACT LIST

Organisation	Name	Tel (office)	Cell Number	E-Mail
Aftex	Maurice Jaumain	011 - 792 3544		<a href="mailto:maurice@aftex.co.za">maurice@aftex.co.za</a>
Bell Shipping	Geoffrey Sargeant	021 - 461 3604	082 461 9900	<a href="mailto:sargeant@bellshipping.co.za">sargeant@bellshipping.co.za</a>
Betko	Japie Groenewald	028 - 840 2313		<a href="mailto:betko@iafrica.com">betko@iafrica.com</a>
Cape Dispatch	Allan Vorster		082 885 8205	<a href="mailto:info@capedispatch.co.za">info@capedispatch.co.za</a>
Cape Five	Wayne Mudge	021 - 850 4640	082 886 8676	<a href="mailto:waynemudge@capefive.com">waynemudge@capefive.com</a>
Capespan	Pierre van Zyl	021 - 917 2628	083 6760 304	<a href="mailto:pierre_van_zyl@caSPAN.co.za">pierre_van_zyl@caSPAN.co.za</a>
Capselling	Alain Breard	021 - 851 5303	083 277 9130	<a href="mailto:alain@capselling.co.za">alain@capselling.co.za</a>
Directorate Domestic Marketing	Billy Morokolo	012 - 3198455		-
Directorate International Relations	Sydney	012 - 3190600		-
Directorate Food Safety and Quality Assurance	Willy Madiba	012 - 3196051		-
Directorate Food Safety and Quality Assurance	Hanlie Wessels	012-3196058		-
Directorate Food Safety and Quality Assurance	Alex Serumula	012-3196044		-
Directorate Food Safety and Quality Assurance	Billy Makhafola	012-3196023		-
Dole	Colette le Roux	021 - 914 0600	082 377 8291	<a href="mailto:colette_le_roux@za.dole.com">colette_le_roux@za.dole.com</a>
Dole	Hein Coetzee	021 - 914 0600		<a href="mailto:hein_coetzee@za.dole.com">hein_coetzee@za.dole.com</a>
Du Toit Vrugte	Christo Nel	023 - 312 1071	083 419 4474	<a href="mailto:christo@dutoit.com">christo@dutoit.com</a>
Expofrut RSA	Nico de Lange	021 - 401 8858	082 491 4995	<a href="mailto:nico@expofrut.co.za">nico@expofrut.co.za</a>
Fedfa	James Strachan	021 - 419 7397	082 820 4293	<a href="mailto:james@fedfa.co.za">james@fedfa.co.za</a>
Franschhoek Marketing	Jan Hoon	021 - 876 3141	083 228 7314	<a href="mailto:janhoon@freshnessfirst.co.za">janhoon@freshnessfirst.co.za</a>
Freshco	Johann van Deventer	-	083 252 5905	<a href="mailto:johann@freshco.co.za">johann@freshco.co.za</a>
Freshgold	Pieter von Maltitz	021 - 555 1966	083 448 4980	<a href="mailto:pieter@freshgoldsa.co.za">pieter@freshgoldsa.co.za</a>
Freshgold	Koos Snyman	021 - 555 1966	082 803 9392	<a href="mailto:ipsnyman@webmail.co.za">ipsnyman@webmail.co.za</a>
Freshgold	Renier Grobbelaar	22 - 555 1966		<a href="mailto:renier@freshgoldsa.co.za">renier@freshgoldsa.co.za</a>
Freshmark	Lee Smith	021 - 980 7000	082 455 2834	<a href="mailto:lesmith@freshmark.co.za">lesmith@freshmark.co.za</a>
Fruit Dispatch	Leon Fourie	021 - 848 9228	082 658 0516	<a href="mailto:Fruitdis@mweb.co.za">Fruitdis@mweb.co.za</a>
Fruitways	Jaco Moelich	021-886 9630	082 940 2093	<a href="mailto:moelichi@melsetter.co.za">moelichi@melsetter.co.za</a>
Gaertner Exports	Karin Gaertner	021 - 710 9000		<a href="mailto:karin@gaertner.co.za">karin@gaertner.co.za</a>
Golden Harvest	Stanley Voyatjes	021 - 531 7213	082 448 9720	-
	Peter Dumakhis		082 453 4944	<a href="mailto:peter@goldenharvest.co.za">peter@goldenharvest.co.za</a>
In Season Marketing	Aldré Carstens	021 - 914 7011	083 644 6481	<a href="mailto:aldre@inseason.co.za">aldre@inseason.co.za</a>
Kallos Exporters	Ossie Meyer	021 - 534 3000	082 826 6222	<a href="mailto:ossie@kallos.co.za">ossie@kallos.co.za</a>
Katope Cape	Ariel Hugo	021 - 851 5272	083 700 5323	<a href="mailto:ariel@katopcape.co.za">ariel@katopcape.co.za</a>
M L Du Toit Vrugte	Martin du Toit		082 658 2161	<a href="mailto:etienne@southernfruit.co.za">etienne@southernfruit.co.za</a>
Qualichoice	Patrick Abinaber	021 - 447 8053	073 304 3389	<a href="mailto:info@qualichoice.com">info@qualichoice.com</a> / <a href="mailto:patrick@qualichoice.com">patrick@qualichoice.com</a>
Quality Auditing South	Willem Saayman / Johana Kekana	021 - 809 1632 / 1663		-
Samapro	Kevin Rowlands	-		<a href="mailto:kevin@gbptradings.com">kevin@gbptradings.com</a>
Sanrio (SFG)	Fritz Ferreira	021 - 852 4012		<a href="mailto:fritz@sanrio.co.za">fritz@sanrio.co.za</a>
SAPEX	Geoff Croxford	021 - 883 8280	082 655 4441	<a href="mailto:geoff@sapex.co.za">geoff@sapex.co.za</a>
SARS				-
Seaboard	James Newton	021 - 419 9929	082 883 5969	<a href="mailto:james@seaboard.co.za">james@seaboard.co.za</a>
TMI (Tropicana)	Brendan Langeveldt	021 - 535 0255	083 305 7179	<a href="mailto:brendan@kallos.co.za">brendan@kallos.co.za</a>
Trade for Life	Cecile Petzer	021 - 840 1420	082 909 9058	<a href="mailto:cecile@email4life.co.za">cecile@email4life.co.za</a>
Tru-Cape	Dewald Meyer	021 - 850 1804	083 653 3394	<a href="mailto:dewaldm@tru-cape.co.za">dewaldm@tru-cape.co.za</a>
	Henk Griessel			<a href="mailto:henkg@tru-cape.co.za">henkg@tru-cape.co.za</a>
Unifruit	Danie Jacobs	028 - 840 2209		<a href="mailto:danie@unifruit.co.za">danie@unifruit.co.za</a>
WP Fresh	Jako van Lill	021 - 851 3788	082 824 5192	<a href="mailto:jako@wpfresh.co.za">jako@wpfresh.co.za</a>
Zebra Fresh Fruit	Hugo Coetzee	022 - 913 2684	082 652 2333	<a href="mailto:hugo@zebrafruit.co.za">hugo@zebrafruit.co.za</a>
Deciduous Fruit Producers Trust (DFPT)	Louis van Zyl			
Deciduous Fruit Producers Trust (DFPT)	Richard Hurdall			
Fresh Produce Exporter's Forum (FPEF)	Stuart Symington			

**ANNEXURE B – Initial letter sent to participants on 18 August 2006**

# Frudata SA

**STUDY TO ASSESS THE IMPACT OF RSA CLASS 1 EXPORTS TO AFRICAN AND INDIAN OCEAN ISLAND COUNTRIES FOR POME AND STONEFRUIT**

The RSA 1 standard to Africa was developed over a number of years and was described in the regulation as “Standards for Destination B Countries”. The standard was developed as these countries requirements were different from the standards set by the European Union.

In the 1990's it was decided that the different standards were difficult to maintain and manage and that there was little difference between the RSA 1 standard and EU2 standard. The destination B standard was therefore discontinued and the RSA 1 standard was allowed by way of general dispensation. This dispensation refers to the Class 2 standard in the current regulation.

The Department of Agriculture (DOA) has annually implemented such a dispensation (on application) from the stone and pome fruit industries. This was however reconsidered when an objection was received in December 2005 regarding the granting of this dispensation for the 2006 season. This coupled with broader concerns that granting a dispensation might be in contravention of international commitments led the DOA to inform the industry that the dispensation would not be granted for 2006.

**After discussions involving the industry and the National Agricultural Marketing Council (NAMC) it was decided that the dispensation would be extended until the end of 2006 in order for the DOA and NAMC to undertake a comprehensive investigation.**

As a result of this, it was agreed that research would be undertaken to investigate the real impact of RSA Class 1 exports in terms of reactions/impact in African countries and the implications for SA in the International fruit trade arena.

Frudata SA (Pty) Ltd, in conjunction with Peter Dall of Peter Dall Consultancy and Mike Kreft of Kreft Consulting, have been commissioned by the NAMC to undertake this research, and is presently busy with the project.

In order to assist Frudata with this study/research, we need to identify the key exporters/marketeers responsible for trading in pome and stonefruit into Africa and the Islands.

It is of utmost importance that we identify those who are trading in the above regions. As part the research study, key role players will be interviewed regarding the above.

We would grateful if you could inform us by return or mail or email to this address, **before 31 August 2006**, according to you who the key role players are, and their contact details. If your organisation is not directly involved in trading in the above regions, could you please inform us which agents/marketeers you are utilising in these markets.

This research project is of vital importance to the pome and stone fruit industries, and thus we would greatly appreciate your assistance in this regard. All information supplied will be treated confidentially.

Once the key role players have been identified, they will be requested for inputs and interviews will be conducted with them.

Yours sincerely,



FRUDATA SA (PTY) LTD  
Per: C. H Ferrandi

**ANNEXURE C – Letter to roleplayers on 4 September 2006**

# Frudata SA

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**STUDY TO ASSESS THE IMPACT OF RSA CLASS 1 EXPORTS TO AFRICAN AND INDIAN OCEAN ISLAND COUNTRIES FOR POME AND STONEFRUIT**

Many thanks for your willingness to participate and assist with this study.

The first phase of this study, namely the identification of the role players exporting to these markets, has been completed.

The next phase entails accessing information from the various role players identified. This will be done in two parts, as follows:

- Accessing information on the export volumes to the various markets and the returns, and
- Interviews with the role players.

1. Information on export volumes and FOB returns.

We have prepared the attached spreadsheet, to facilitate the preparing of this information. Please note that, in order to make meaningful conclusions, it is important that all the fields/columns are completed. The information is required in the following categories:

- Per year for the last three years
- Per fruit kind (apples, pears, plums and grapes)
- Per region (West Africa, North Africa, East Africa, Indian Ocean Islands and Central and Southern Africa)
- Per Class (EU Class 1, RSA Class 1, RSA Class 2, EU Class 2)
- Weight
- No of cartons
- FOB return per carton

It is important that we receive the information in the detail, so that the necessary conclusions can be made. It must be emphasized, that all information supplied will be treated **confidentially**, and only total and summarized information will be reported on in the study. The cut off date for supplying this information is **Friday, 15 September 2006**.

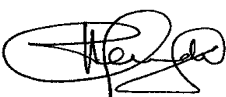
2. Interviews

Once the information has been collected, interviews will commence during the last two weeks of September 2006. These will be done by Peter Dall and Mike Kreft, and you will be contacted by them so that an appointment can be arranged at a convenient time. The questionnaire will be forwarded to you before the interview, so that you will have a chance to prepare.

This research project is of vital importance to the pome and stone fruit industries, and thus we would greatly appreciate your assistance in this regard. All information supplied will be treated confidentially.

Should you have any queries, please do not hesitate to contact us.

Yours sincerely,



FRUDATA SA (PTY) LTD  
Per: C. H Ferrandi

**ANNEXURE D – List of companies that answered questionnaire****COMPANIES THAT COMPLETED AND RETURNED THE QUESTIONNAIRE**

1. Bell Shipping
2. Betko
3. Cape Dispatch
4. Cape Five
5. Dole SA
6. Du Toit Vrugte
7. Expofruit RSA
8. FEDFA
9. Freshco
10. Freshgold
11. Freshmark
12. Fruit Dispatch
13. Fruitways
14. Gaertner Exports
15. Golden Harvest
16. In Season Marketing
17. Kallos Exporters
18. Katope Cape
19. M L Du Toit Vrugte
20. Seaboard
21. Trade for Life
22. Tru-Cape
23. W P Fresh
24. Zebra Fresh Fruit

**ANNEXURE E – List of companies that submitted volume and Rand FOB data****COMPANIES THAT SUPPLIED VOLUME AND FOB SALES DATA**

1. Bell Shipping
2. Betko
3. Cape Dispatch
4. Dole
5. Du Toit Vrugte
6. Expofruit RSA
7. FEDFA
8. Freshco
9. In Season Marketing
10. Seaboard
11. Tru-Cape
12. W P Fresh
13. Zebra Fresh Fruit

**ANNEXURE F – Original questionnaire****Frudata SA****RSA Class 1 Export Study – Questionnaire  
Introduction**

Date: .....	Name of Interviewee: .....
Organisation: .....	Contact person: .....
	Contact Tel: .....
	E-Mail: .....
	Cell Number: .....

**1: In which segment of trade do you fall under?**

Please choose **only one** of the following:

- Small exporter (<200 pallets exported per annum)  
 Medium exporter (200 – 1000 pallets exported per annum)  
 Large exporter (>1000 pallets exported per annum)

**2: Which fruit do you currently trade in?**

Please choose **all** that apply:

- Apples  
 Pears  
 Peaches  
 Nectarines  
 Apricots  
 Plums  
 Table grapes



### 3: Which region do you trade in?

Please choose **all** that apply:

- West Africa  
 North Africa  
 East Africa  
 Central Africa  
 Islands
- 

### 4: How many years have you been doing business in these areas?

Please choose **only one** of the following:

- < 1 year  
 1-4 years  
 5-8 years  
 9-12 years  
 > 12 years
- 

### 5: What is the main form of payment from customers in these areas?

Please choose **only one** of the following:

- Cash up front  
 Consignment  
 Letter of credit
- 

### 6: Other form of payment?

Please write your answer here:

--

---

### 7: Please rank the following transport methods according to how often you use them to transport fruit into African regions. 1 – Use most often, 4 – use least often

Please number each box in order of preference from 1 to 4:

Air	<input type="text"/>
Road	<input type="text"/>
Rail	<input type="text"/>
Ship	<input type="text"/>

---

**8: Please indicate the type of client that you are trading with.**

Please choose **all** that apply:

- Retail stores
  - Hawkers
  - Wholesalers
- 

**9: Please specify any other outlets that you are aware of.**

Please write your answer here:

---

**10: Do you trade in RSA class 1 Pome / Stone fruit?**

Please choose **only one** of the following:

- Yes
  - No
- 

**11: If no, which class of Pome / Stone fruit do you trade in?**

Please choose **all** that apply:

- EU Class 1
  - EU Class 2
  - RSA Class 2
- 

**12: Did you trade in RSA Class 1 table grapes in 2005?**

Please choose **only one** of the following:

- Yes
  - No
- 

**13: If no, which classes of table grapes did you trade in, in 2005?**

Please choose **all** that apply:

- EU Class 1
  - EU Class 2
  - RSA Class 2
-

**14: Did you trade in RSA Class 1 table grapes in 2006?**

Please choose **only one** of the following:

- Yes  
 No
- 

**15: If no, which classes of table grapes did you trade in?**

Please choose **all** that apply:

- EU Class 1  
 EU Class 2  
 RSA Class 2
- 

**16: Please rank the type of packaging you use when trading into Africa for Pome fruit?**

Please number each box in order of preference from 1 to 2:

- |       |                      |
|-------|----------------------|
| MK IV | <input type="text"/> |
| MK VI | <input type="text"/> |
- 

**17: Please rank the type of packaging you use when trading into Africa for Stone fruit?**

Please number each box in order of preference from 1 to 2:

- |               |                      |
|---------------|----------------------|
| Standard 5 Kg | <input type="text"/> |
| Other         | <input type="text"/> |
- 

**18: Please specify other packaging.**

Please write your answer here:



---

**19: Please rank the type of packaging you use when trading into Africa for table grapes?**

Please number each box in order of preference from 1 to 2:

- |                 |                      |
|-----------------|----------------------|
| Standard 4.5 Kg | <input type="text"/> |
| Other           | <input type="text"/> |
-

**20: Please specify other packaging used.**

Please write your answer here:

---

**21: Do you know of any countries that do not allow the importation of Class 2 Fruit?**

Please choose **only one** of the following:

Yes

No

---

**22: If yes, which African countries?**

Please write your answer here:

**23: Please provide verification that these countries do not allow importation of Class 2 Fruit?**

Please write your answer here:

**SECTION A: The implications of changing from RSA Class 1 label for apples, pears and stone fruit only**

**1A: What will the impact be on volumes traded if Class 2 can no longer be labelled as RSA Class 1, given the same quality.**

Please choose **only one** of the following:

- Increase by 51 - 75%
- Increase by 26 - 50%
- Increase by 11 - 25%
- Increase by 5 -10%
- Increase by <5%
- No change
- Decrease by <5%
- Decrease by 5 - 10%
- Decrease by 11 - 25%
- Decrease by 26 - 50%
- Decrease by 51 - 75%

**2A: What will the impact be on price if Class 2 can no longer be labelled as RSA Class 1, given the same quality**

Please choose **only one** of the following:

- Increase by 51 - 75%
- Increase by 26 - 50%
- Increase by 11 - 25%
- Increase by 5 -10%
- Increase by <5%
- No change
- Decrease by <5%
- Decrease by 5 - 10%
- Decrease by 11 - 25%
- Decrease by 26 - 50%
- Decrease by 51 - 75%

**3A: How do you foresee competitor volumes reacting to the scrapping of RSA Class1 category?**

Please choose **only one** of the following:

- Increase by 51 - 75%
- Increase by 26 - 50%
- Increase by 11 - 25%
- Increase by 5 -10%
- Increase by <5%
- No change
- Decrease by <5%
- Decrease by 5 - 10%
- Decrease by 11 - 25%
- Decrease by 26 - 50%
- Decrease by 51 - 75%

**4A: Why, in your opinion, would the change have the affect that you mentioned in the previous three questions?**

Please write your answer here:

**5A: If the volume decreased, where would the surplus fruit be sold? Please rank 1 – highest volume, 4 – lowest volume**

Please number each box in order of preference from 1 to 4:

Local RSA municipal market	<input type="text"/>
Hawkers	<input type="text"/>
Juice	<input type="text"/>
Local RSA retail market	<input type="text"/>

**6A: Please indicate any other markets that could be affected by a surplus of fruit caused by the label change?**

Please write your answer here:

**7A: What was, in your opinion, the motivation for asking for a dispensation label Class 2 as RSA Class 1 in these markets?**

Please write your answer here:

---

**8A: How are the competitors labelling there fruit?**

Please write your answer here:

**9A: What is your recommendation to solve the problem, bearing in mind that the dispensation will not be allowed from 2007?**

Please write your answer here:

---

**Thank you for completing this survey. Please fax your completed survey to:  
FRUDATA SA - Fax: 021- 852 5446**



## ANNEXURE G – Summary of questionnaire answers

### QUESTIONNAIRE RESULTS

**Question 1**      In which segment of trade do you fall under?

Number	Option		
	Large	Medium	Small
1	1		
2			1
3	1		
4		1	
5	1		
6	1		
7		1	
8		1	
9	1		
10	1		
11	1		
12	1		
13	1		
14		1	
15	1		
16	1		
17		1	
18	1		
19	1		
20	1		
21	1		
22	1		
23	1		
24		1	
<b>Total count</b>	<b>17</b>	<b>6</b>	<b>1</b>

**Question 2** Which fruit do you currently trade in?

Number	Size	Option						
		Apples	Apricots	Nectarines	Peaches	Pears	Plums	Table Grapes
1	Large	1		1	1	1	1	1
2	Small	1					1	1
3	Large	1				1	1	
4	Medium	1				1		
5	Large	1				1		1
6	Large	1		1	1	1		1
7	Medium	1	1	1	1	1	1	1
8	Medium	1	1	1	1	1	1	1
9	Large	1	1	1	1	1	1	1
10	Large	1	1	1	1	1	1	1
11	Large	1	1	1	1	1	1	1
12	Large	1				1		
13	Large	1				1		
14	Medium	1	1	1	1	1	1	1
15	Large	1		1	1	1		1
16	Large	1	1	1	1	1	1	1
17	Medium	1	1	1	1	1	1	1
18	Large	1	1	1	1	1	1	1
19	Large	1		1	1	1	1	
20	Large	1	1	1	1	1	1	1
21	Large	1	1	1	1	1	1	1
22	Large	1		1	1	1	1	1
23	Large	1				1		1
24	Medium	1						
<b>Total count</b>		<b>24</b>	<b>11</b>	<b>16</b>	<b>16</b>	<b>22</b>	<b>16</b>	<b>18</b>

**Question 3** Which region do you trade in?

Number	Size	Option				
		Central Africa	East Africa	Islands	North Africa	West Africa
1	Large	1		1		1
2	Small		1	1	1	1
3	Large	1	1	1	1	1
4	Medium		1	1		1
5	Large					1
6	Large	1	1	1		1
7	Medium		1	1		1
8	Medium	1	1	1		1
9	Large		1	1	1	1
10	Large	1	1		1	1
11	Large			1		1
12	Large	1	1	1	1	1
13	Large		1	1		1
14	Medium	1	1	1		1
15	Large	1	1	1		1
16	Large			1		1
17	Medium		1	1	1	1
18	Large		1	1		1
19	Large	1	1	1	1	1
20	Large	1	1	1		1
21	Large		1	1		1
22	Large	1	1	1	1	1
23	Large			1		1
24	Medium					1
<b>Total count</b>		<b>11</b>	<b>18</b>	<b>21</b>	<b>8</b>	<b>24</b>

**Question 4**      **How many years have you been doing business in these areas?**

Number	Size	Option			
		> 12 years	1 – 4 years	5 – 8 years	9 – 12 years
1	Large			1	
2	Small			1	
3	Large	1			
4	Medium				1
5	Large				1
6	Large			1	
7	Medium			1	
8	Medium	1			
9	Large		1		
10	Large				1
11	Large	1			
12	Large		1		
13	Large				1
14	Medium				1
15	Large			1	
16	Large				1
17	Medium	1			
18	Large	1			
19	Large				1
20	Large			1	
21	Large			1	
22	Large		1		
23	Large				1
24	Medium			1	
<b>Total count</b>		<b>5</b>	<b>3</b>	<b>8</b>	<b>8</b>

**Question 5** What is the main form of payment from customers in these areas?

Number	Size	Option			
		Cash	Consignment	Letter of credit	Other
1	Large			1	
2	Small			1	
3	Large	1			
4	Medium			1	
5	Large	1			
6	Large	1		1	
7	Medium	1			
8	Medium			1	
9	Large	1			
10	Large	1			
11	Large	1			
12	Large			1	
13	Large	1			
15	Large	1		1	
16	Large	1			
17	Medium			1	
18	Large		1		
19	Large	1			
20	Large			1	
21	Large	1		1	
22	Large				1
23	Large	1			
24	Medium	1			
<b>Total count</b>		<b>14</b>	<b>1</b>	<b>10</b>	<b>1</b>

**Question 6** Other form of payment?

Number	Size	Option		
		30 days on statement	Credit terms	Inter company
1	Large	1		
4	Medium		1	
6	Large	1		
10	Large		1	
12	Large	1		
13	Large	1		
14	Medium			1
15	Large	1		
17	Medium		1	
22	Large		1	
<b>Total count</b>		<b>5</b>	<b>4</b>	<b>1</b>

**Question 7**

Please rank the following transport methods according to how often you use them to transport fruit into African regions. 1 – Use most often, 4 – Use least often.

Number	Size	Option			
		Air	Rail	Road	Ship
1	Large	4	4	4	1
2	Small	4	4	4	1
3	Large	0	0	0	1
4	Medium	3	4	1	2
5	Large	0	0	0	1
6	Large	4	4	2	1
7	Medium	3	4	2	1
8	Medium	2	4	4	1
9	Large	3	4	2	1
10	Large	3	4	2	1
11	Large	4	0	0	1
12	Large	2	0	0	1
13	Large	3	0	2	1
14	Medium	3	0	2	1
15	Large	4	4	2	1
16	Large	2	4	3	1
17	Medium	4	0	0	1
18	Large	2	0	0	1
19	Large	3	4	2	1
20	Large	1	2	3	4
21	Large	0	0	2	1
22	Large	0	0	0	1
23	Large	0	0	0	1
24	Medium	0	0	0	1

**Question 8** Please indicate the type of client that you are trading with.

Number	Size	Option		
		Hawkers	Retail stores	Wholesalers
1	Large			1
2	Small			1
3	Large			1
4	Medium			1
5	Large			1
6	Large		1	1
7	Medium			1
8	Medium		1	1
9	Large			1
10	Large	1	1	1
11	Large		1	1
12	Large			1
13	Large			1
14	Medium		1	1
15	Large		1	1
16	Large		1	1
17	Medium	1	1	1
18	Large	1	1	1
19	Large		1	1
20	Large	1	1	1
21	Large			1
22	Large			1
23	Large			1
24	Medium			
<b>Total count</b>		<b>4</b>	<b>11</b>	<b>23</b>

**Question 9** Please specify any other outlets that you are aware of.

Number	Size	Option	
		Catering comp.	Ship Chandeling
6	Large		1
15	Large		1
16	Large	1	
<b>Total count</b>		<b>1</b>	<b>2</b>

**Question 10****Do you trade in RSA Class 1 Pome / Stone fruit?**

Number	Size	Option
		Yes
1	Large	1
2	Small	1
3	Large	1
4	Medium	1
5	Large	1
6	Large	1
7	Medium	1
8	Medium	1
9	Large	1
10	Large	1
11	Large	1
12	Large	1
13	Large	1
14	Medium	1
15	Large	1
16	Large	1
17	Medium	1
18	Large	1
19	Large	1
20	Large	1
21	Large	1
22	Large	1
23	Large	1
24	Medium	1
<b>Total count</b>		<b>24</b>



**Question 11** If no, which class of Pome / Stone fruit do you trade in?

Number	Size	Option
		N/A
1	Large	1
2	Small	1
3	Large	1
4	Medium	1
5	Large	1
6	Large	1
7	Medium	1
8	Medium	1
9	Large	1
10	Large	1
11	Large	1
12	Large	1
13	Large	1
14	Medium	1
15	Large	1
16	Large	1
17	Medium	1
18	Large	1
19	Large	1
20	Large	1
21	Large	1
22	Large	1
23	Medium	1
24	Medium	1
<b>Total count</b>		<b>24</b>

**Question 12** Did you trade in RSA Class 1 table grapes in 2005?

Number	Size	Option	
		No	Yes
1	Large		1
2	Small		1
5	Large		1
6	Large		1
7	Medium		1
8	Medium	1	
9	Large	1	
10	Large		1
11	Large		1
14	Medium		1
15	Large		1
16	Large		1
17	Medium		1
18	Large		1
20	Large	1	
21	Large	1	
22	Large		1
23	Large		1
24	Medium	1	
<b>Total count</b>		<b>5</b>	<b>14</b>

**Question 13** If no, which classes of table grapes did you trade in, in 2005?

Number	Size	Option	
		EU Class 1	EU Class 2
8	Medium	1	1
9	Large	1	
20	Large	1	
21	Large	1	
<b>Total count</b>		<b>4</b>	<b>1</b>

**Question 14** Did you trade in RSA Class 1 table grapes in 2006?

Number	Size	Option	
		No	Yes
1	Large	1	
2	Small		1
5	Large		1
6	Large		1
7	Medium		1
8	Medium	1	
9	Large	1	
10	Large		1
11	Large		1
14	Medium		1
15	Large		1
16	Large		1
17	Medium		1
18	Large		1
20	Large	1	
21	Large	1	
22	Large		1
23	Large	1	
24	Medium	1	
<b>Total count</b>		<b>7</b>	<b>12</b>

**Question 15** If no, which classes of table grapes did you trade in?

Number	Size	Option	
		EU Class 1	EU Class 2
1	Large		1
8	Medium	1	1
9	Large	1	
20	Large	1	
21	Large	1	
23	Large	1	
<b>Total count</b>		<b>5</b>	<b>2</b>

**Question 16**

Please rank the type of packaging you use when trading into Africa for Pome fruit.

Number	Size	Option	
		MK IV	MK VI
1	Large	1	1
2	Small	1	1
3	Large	1	
4	Medium	1	1
5	Large	1	
6	Large	1	1
7	Medium	1	
8	Medium	1	1
9	Large	1	1
10	Large	1	
11	Large	1	1
12	Large	1	1
13	Large	1	1
14	Medium	1	1
15	Large	1	1
16	Large	1	1
17	Medium	1	
18	Large	1	1
19	Large	1	1
20	Large	1	1
21	Large	1	
22	Large	1	1
23	Large	1	
24	Medium		1
<b>Total count</b>		<b>23</b>	<b>17</b>

**Question 17**

Please rank the type of packaging you use when trading into Africa for Stone fruit.

Number	Size	Option		
		2.5kg nectarine & peach carton	Other	Standard 5.25 kg
1	Large	1	1	1
2	Small		1	1
3	Large			1
4	Medium	1		1
5	Large			1
6	Large			1
7	Medium			1
8	Medium		1	1
10	Large	1		
11	Large	1		1
14	Medium		1	1
15	Large			1
16	Large		1	1
17	Medium	1		1
18	Large	1		1
19	Large	1		
20	Large		1	1
21	Large			1
22	Large	1		1
<b>Total count</b>		<b>8</b>	<b>6</b>	<b>17</b>

**Question 18**

Please specify other packaging.

Number	Size	Option	
		Punnets	Punnets plums
1	Large		1
17	Medium	1	
18	Large	1	
<b>Total count</b>		<b>2</b>	<b>1</b>

**Question 19**

Please rank the type of packaging you use when trading into Africa for table grapes.

Number	Size	Option	
		Other	Standard 4.5kg
1	Large	1	1
2	Small	1	1
3	Large		1
5	Large		1
6	Large		1
7	Medium		1
8	Medium	1	1
9	Large		1
10	Large		1
11	Large		1
14	Medium	1	1
15	Large		1
16	Large	1	1
17	Medium	1	
18	Large	1	1
20	Large	1	1
21	Large		1
22	Large	1	1
23	Large		1
<b>Total count</b>		<b>9</b>	<b>18</b>

**Question 20**

Please specify other packaging used.

Number	Size	Option		
		9kg	Punnet grapes	Punnets
1	Large		1	
17	Medium			1
18	Large	1		
22	Large	1		
<b>Total count</b>		<b>2</b>	<b>1</b>	<b>1</b>

**Question 21**

Do you know of any countries that do not allow the importation of Class 2 fruit?

Number	Size	Option	
		No	Yes
1	Large	1	
4	Medium		1
5	Large	1	
6	Large	1	
7	Medium		1
8	Medium		1
9	Large	1	
10	Large	1	
11	Large	1	
12	Large		1
13	Large	1	
14	Medium	1	
15	Large	1	
16	Large	1	
17	Medium	1	
18	Large	1	
19	Large	1	
20	Large	1	
21	Large		1
22	Large	1	
23	Large	1	
24	Medium	1	
<b>Total count</b>		<b>17</b>	<b>5</b>

**Question 22**

If yes, which African countries?

Number	Size	Kenya	Kenya, Uganda
8	Medium		1
12	Large	1	
21	Large	1	
<b>Total count</b>		<b>2</b>	<b>1</b>

**Question 23**

**Please provide verification that these countries do not allow importation of class 2 fruit.**

The roleplayers indicated that, although Class 2 is not prohibited by law into Kenya, it is extremely difficult and cumbersome to process fruit arrivals in Kenya if that fruit is marked as Class 2.

## SECTION A

The implications of changing from RSA Class 1 label for apples, pears and stone fruit only

**Question 1A** What will the impact be on volumes traded if Class 2 can no longer be labelled as RSA Class 1, given the same quality?

Number	Size	Option					No change
		- 11-25%	- 26-50%	- 5%	- 5-10%	- 51-75%	
1	Large						1
2	Small					1	
3	Large		1				
4	Medium			1			
5	Large	1					
6	Large		1				
7	Medium				1		
8	Medium		1				
9	Large	1					
10	Large		1				
11	Large					1	
12	Large	1					
13	Large	1					
14	Medium					1	
15	Large		1				
16	Large	1					
17	Medium	1					
18	Large		1				
19	Large					1	
20	Large	1					
21	Large		1				
22	Large						1
23	Large		1				
24	Medium	1					
<b>Total count</b>		<b>8</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>2</b>



**Question 2A**

What will the impact be on price if Class 2 can no longer be labelled as RSA Class 1, given the same quality?

Number	Size	Option						No change
		- 11-25%	- 26-50%	- 5-10%	- 51-75%	+ 5%	+ 5-10%	
1	Large							1
2	Small		1					
3	Large	1						
4	Medium			1				
5	Large	1						
6	Large	1						
7	Medium						1	
8	Medium	1						
9	Large					1		
10	Large		1					
11	Large				1			
12	Large	1						
13	Large	1						
14	Medium				1			
15	Large	1						
16	Large							1
17	Medium			1				
18	Large		1					
19	Large				1			
20	Large	1						
21	Large	1						
22	Large							1
23	Large		1					
24	Medium	1						
<b>Total count</b>		<b>10</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>3</b>

**Question 3A**

How do you foresee competitor volumes reacting to the scrapping of RSA Class 1 category?

Number	Size	Option						No change
		- 11-25%	- 26-50%	+ 11-25%	+ 26-50%	+ 5-10%	+ 51-75%	
1	Large							1
2	Small			1				
3	Large			1				
4	Medium					1		
5	Large					1		
6	Large				1			
7	Medium			1				
8	Medium			1				
9	Large			1				
10	Large			1				
11	Large						1	
12	Large			1				
13	Large							1
14	Medium						1	
15	Large				1			
16	Large					1		
17	Medium					1		
18	Large		1					
19	Large		1					
20	Large	1						
21	Large			1				
22	Large							1
23	Large				1			
24	Medium			1				
<b>Total count</b>		<b>1</b>	<b>2</b>	<b>9</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>3</b>

**Question 4A**

**Why, in your own opinion, would the change have the affect that you mentioned in the previous three questions?**

Organisation	Answer to 1A & 2A	Answer to 4A
22	Volumes: No Change Price: No change	My answers are all "no change". But from a buyer point of view (Even if you can't read the language), One would prefer to see a "1" on the carton rather than a "2"
1	Volumes: No Change Price: No change	Our clients have no problem with the carton marked as Class 2, as long as the quality of the fruit is at least similar to RSA Class 1
4	Volume: -5% Price: -5-10%	Volume decrease might happen for the first year or two, until the market adapts to the new markings. Price will be under pressure as market sees Class 2 as inferior product. Biggest competitor in West Africa is France. They (West Africa), will buy more (from France), for a longer period In the end they might be forced to take our product. Class 2 exports into Kenya not allowed.
7	Volume: -5-10% Price: +5-10%	"Daar is besliste kwaliteitsverskil tussen Klas2 en RSA1 (Want RSA 1 van hoër gehalte is) Die EU2 en RSA1 Standard is +/- ekwivalente van mekaar. <b>Dus</b> , as RSA1 geskrap word en Klas 2 is uitvoerstandaard, uitvoere sal styg en prys sal daal. Maar, in geval van EU2 = RSA1, sal die status quo gehandhaaf word".
20	Volume: -11-25% Price: -11-25%	Demand driven market. Psychological effect of expecting to pay less for a Class 2 product.
17	Volume: -11-25% Price: -5-10%	RSA Class 1 countries buy both EU1 and RSA1. The difference is price. Destinations in question cannot always afford the EU1 as market levels (buying power) at specific times are naturally low; RSA 1 gives each destination a lower priced product for its clients who pay these prices. In all these destinations there are also clients who can pay a higher price as they have a higher priced clientele. We cannot place the one as being more important than the other.
16	Volume: -11-25% Price: No change	No written comment
13	Volume: -11-25% Price: -11-25%	No written comment
12	Volume: -11-25% Price: -11-25%	The RSA 1 standard to Africa was developed over many years of trading. These standards were described in the regulation as "Standards for Destination B Countries". The standard was developed specifically for these countries because their requirements were different from the standards set by the European Union. During the annual discussions of standards (I think during the late 1990's), between the industry and Department of Agriculture, it was decided that all the different standards were difficult to maintain and manage. With further investigation it was decided that there were not many differences between the RSA 1 standard and EU2 standard. To simplify the management of standards for the Department of Agriculture, it was then decided to discontinue the destination B standard and allow RSA 1 standard by way of general dispensation. This dispensation refers to Class 2 standard in the current regulation. The RSA 1 standard is now well established over many years and if we have to change the carton marking to Class 2 it will be a commercial disaster. Receivers and clients will expect a lower quality fruit if they receive Class 2 fruit instead of RSA 1. It will take years to get the market to understand this change. It is difficult to understand the reasoning behind the department's motivation to discontinue RSA 1 as a standard. It was developed over many years and we do not have any problems with this standard with any of our clients. Changing the carton marking to Class 2 will have a serious effect on the perception of the clients on the quality of the fruit. My request is therefore that the RSA 1 standard should be retained. If the Department do not see their way open to continue with the current arrangement for RSA Class 1 fruit, I suggest we go back to a separate standard for destination B countries.
9	Volume: -11-25% Price: + 5%	Price plays a major role in this market. If we can't export RSA Class 1, the volumes will decrease because the market can't pay the price. The price will increase slightly, but it will have an effect on total volumes exported. All volumes will decrease.

Organisation	Answer to 1A & 2A	Answer to 4A
5	Volume: -11-25% Price: -11-25%	The negative connotations of Class 2. Consumers will show some resistance. Importers will use this to drive the price down.
21	Volume: -26-50% Price: -11-25%	Perceptions of quality are the key driver. ie How a product is labeled is more important to a buyer than the exact detail of the true quality. Product knowledge is generally at a low level in these markets.
18	Volume: -26-50% Price: -26-50%	The consumer/secondary buyer prefers Cat 1. Cat 2 is seen as lesser quality and lesser value. Perishables must be at its best, or else consumers go for alternatives eg, sweets and convenience goods. Perishables must be at its best, or else consumers go for alternatives eg, sweets and convenience goods. Competitor countries of supply offer Cat 1 and they will benefit from SA sending Cat 2.
15	Volume: -26-50% Price: -11-25%	Markets will open for South America and Europe. Clients perceive Class 2 markings on a box as being detrimental to these sales.
10	Volume: -26-50% Price: -26-50%	No comment
8	Volume: -26-50% Price: -11-50%	Buyer resistance to Class 2 fruit. Class 2 fruit is seen by buyers and receivers as lower/ poor quality. The "For Africa only" sticker was seen as a negative - the "only" referring to fruit meant for a "lower" market.
6	Volume: -26-50% Price: - 11-50%	Markets will open for South America and Europe. Clients perceive Class 2 markings on a box as being
3	Volume: -26-50% Price: -11-50%	Other countries that supply a below Class 1 product into the trade will benefit, seeing that their product is not marketed as Class 2.
23	Volume: -26-50% Price: -26-50%	The phrase "Class 2" will have the following negative connotations: It sends the message that it is a substandard product – that Africa is a de-graded continent – The best fruit is sent to other parts of the world – Difficulties will occur in negotiating prices.
19	Volume: -51-75% Price: -51-75%	Fruit will be delivered to the local markets. EU1 fruit will be exported to premium markets in the EU.
14	Volume: -51-75% Price: - 51-75%	If RSA1 was no longer permitted to be exported, and say EU1 was enforced, the increased price landed, would have a huge impact on our sales.
11	Volume: -51-75% Price: -51-75%	All our overseas clients say that "RSA1" reads a lot better than "Class 2", which to them as well as the consumers, and traders, is considered as an inferior quality.
2	Volume: -51-75% Price: -26-50%	Customers will not buy as Class 2 reflects a lower standard, although the quality might be the same. SA will loose market share and other countries will fill the gap.
24	Volume: -11-25% Price: -11-25%	Class 2 labeling will be perceived as a lower standard as opposed to RSA 1, which has been sent into the market for all the previous years. This will be a further problem once the French season fruit arrives into the market at the same time as "South African Class 2". There is no doubt that volumes and prices will be affected.

**Question 5A** If the volume decreased, where would the surplus fruit be sold? Please rank 1 – highest volume, 4 – lowest volume.

Number	Size	Option			
		Hawkers	Juice	Local RSA municipal market	Local RSA retail market
1	Large	4	4	2	1
2	Small	3	4	2	1
3	Large	0	0	0	1
4	Medium	3	4	2	1
5	Large	3	4	1	2
6	Large	3	4	1	2
7	Medium	3	4	1	2
8	Medium	3	4	1	2
9	Large	4	3	2	1
10	Large	3	4	2	1
11	Large	0	0	2	1
12	Large	3	4	1	2
13	Large	3	4	1	2
14	Medium	2	3	1	4
15	Large	3	4	1	2
16	Large	2	3	1	4
17	Medium	2	3	1	4
18	Large	3	1	2	4
19	Large	3	4	1	2
20	Large	3	4	1	2
21	Large	3	4	1	2
22	Large	3	4	2	1
23	Large	3	4	1	2
24	Medium	3	4	2	1

**Question 6A**

Please indicate any other markets that could be affected by a surplus of fruit caused by the label change.

Number	Size	Option		
		Eastern Europe	Namibia, Botswana	Probably places like Namibia, Zimbabwe, Mozambique
3	Large			
6	Large			
9	Large		1	
15	Large			
20	Large	1		
22	Large			1
<b>Total count</b>		<b>1</b>	<b>1</b>	<b>1</b>

**Question 7A**

**What was, in your opinion, the motivation for asking for dispensation label Class 2 as RSA Class 1 in these markets?**

<b>Organisation</b>	<b>Answer</b>
1	It makes sense to me because you can only export Europe Class 2 fruit to Reunion and not RSA Class 1. Our clients in Africa have no problem with the carton being marked class 2.
2	To give SA the option to sell smaller sizes EU1 and EU2 standard fruit to markets that were willing to pay more money than the local market – optimize grower returns.
3	In the past it was done to streamline the standard from a 3 tier standard to a 2 tier standard. We should just change to a 3-tier standard where RSA Class 1 is named, defined and published in the government gazette. Then dispensations would no longer be necessary.
4	It was taken for granted because we never realized that we need dispensation. Under the impression that RSA Class 1 was part of the export protocol and standards. “Somebody” must have had applied on behalf of the industry for the past approx 8 years we exported RSA Class 1 – Doesn’t make sense to stop it now. The market has become used to the standard and markings.
5	As I understand it Class EU 2 is the same standard as RSA 1. By the world standards, EU2 would be classed as Class 1. We are only judging on the European standard which is obviously higher than the world standard, so in effect, RSA 1 is really Class 1. Maybe we should have Class EU1 and then just Class 1.
6	Markets will open for South America and Europe – clients perceive Class 2 markings on a box as being detrimental to their sales.
7	Africa is accustomed to RSA 1 standard. Dispensation = EU2 – RSA 1 for abovementioned reason. Class 2 – RSA 1 where firm fruit with some cosmetic disorders want to pack for exporters.
8	Buyers want to see some reference to quantity on the carton. For RSA fruit it is RSA 1 or Class 1.
9	The label Class 2 has a negative connotation. RSA Class 1 sounds better – better “quality”.
10	No comment given.
11	All our overseas clients say that “RSA Class 1” reads a lot better than “Class 2”, which to them as well as the consumers and traders is considered as an inferior quality.
12	The RSA 1 standard to Africa was developed over many years of trading. These standards were described in the regulation as “Standards for Destination B Countries”. The standard was developed specifically for these countries because their requirements were different from the standards set by the European Union. During the annual discussions of standards (I think during the late 1990’s), between the industry and Department of Agriculture, it was decided that all the different standards were difficult to maintain and manage. With further investigation it was decided that there were not many differences between the RSA 1 standard and EU2 standard. To simplify the management of standards for the Department of Agriculture, it was then decided to discontinue the destination B standard and allow RSA 1 standard by way of general dispensation. This dispensation refers to Class 2 standard in the current regulation. The RSA 1 standard is now well established over many years and if we have to change the carton marking to Class 2 it will be a commercial disaster. Receivers and clients will expect a lower quality fruit if they receive Class 2 fruit instead of RSA 1. It will take years to get the market to understand this change. It is difficult to understand the reasoning behind the department’s motivation to discontinue RSA 1 as a standard. It was developed over many years and we do not have any problems with this standard with any of our clients. Changing the carton marking to Class 2 will have a serious effect on the perception of the clients on the quality of the fruit. My request is therefore that the RSA1 standard should be retained. If the Department do not see their way open to continue with the current arrangement for RSA Class 1 fruit, I suggest we go back to a separate standard for destination B countries.
13	No comment given.
14	I believe that we would create a very negative perception if we would label fruit as Class 2. This effect was seen when we attached the “for Africa only” label. Therefore, RSA 1 dispensation motivation to enable exports to export marketable fruit.
15	Markets will open for South America and Europe – clients perceive Class 2 markings on a box as being detrimental to their sales.
16	Price good for OK quality.
17	RSA Class 1 still allows the carton to be marked with a 1 and not a 2. In SA we produce certain commodities that are slightly off the EU 1 standard. RSA 1 allows for a slight deviation but the product is still sound. The clients on the other hand can get a good product at a lower price. As mentioned above lower income group and higher (very much the case in Africa) can both benefit.

Organisation	Answer
18	Class 1: Perceived better quality – premium price – increased volume – first choice vs. alternatives. Class 2: None of the above – consumer will choose other country of origin produce in Cat 1.
19	Quality of fruit good, but not EU1 quality.
20	Meeting demand requirements – being able to earn a premium for a Class 1 marked carton, better grower returns.
21	We have a clear demand for this quality of fruit, at the same time the market expects it to be marked as Class 1
22	African countries would not feel degraded as been seen as a market for only Grade 2 fruit.
23	As an exporter of RSA 1 fruit, we only use “orchard run” fruit, which means a carton is more or less made up out of the following : UK Class 1 – 28%, EU1 – 30%, RSA 1 – 40%. The 40% that is classified as RSA1 is crucial to ensure a reasonable return to the grower and to reduce unit cost. All Golden Delicious and Top Red apples are treated with “SmartFresh” to ensure longer shelflife of the product, at a cost of approx R4.60 per carton. The absolute intention is to do everything technically correct to supply our clients with good and well presented products, of which every citizen of Africa can be proud of.
24	Class 2 exports is a lowering of export standard fruit. French fruit / apples are marked Class 1 category.



**Question 8A**      **How are the competitors labelling their fruit?**

Number	Size	Option				
		Not sure	Class 1	RSA Class 1	No standard specified	Fancy
1	Large		1			
2	Small	1				
3	Large	1				
4	Medium		1			
5	Large		1			
6	Large		1			
7	Medium			1		
8	Medium				1	
9	Large	1				
10	Large	1				
11	Large	1				
12	Large		1			
13	Large	1				
14	Medium			1		
15	Large		1			
16	Large	1				
17	Medium			1		
18	Large		1			
19	Large	1				
20	Large			1		
21	Large		1			
22	Large	1				
23	Large					1
24	Medium		1			
<b>Total count</b>		<b>9</b>	<b>9</b>	<b>4</b>	<b>1</b>	<b>1</b>

**Question 9A**

**What is your recommendation to solve the problem, bearing in mind that the dispensation will not be allowed from 2007?**

Organisation	Answer to 1A & 2A	Answer to 9A
22	Volume: No change Price: No change	Africa needs the "1" on the carton. Producers should be allowed, depending where they want to market the fruit, to mark cartons either EU2 or RSA1. The standard should be the same for PPECB on both these Classes. Although Africa will still buy our EU2 fruit, I think, considering the inconsistent EU market, we should reconsider "damaging" our valued African market.
1	Volume: No change Price: No change	We export +- 3000 pallets of fruit into these markets, of which 40 % is Class 1 fruit, and the balance is Class 2. Our clients are more particular with the quality of fruit than the marking of the cartons. For them it is just as important that the fruit should not be of a lower standard than EU Class 2, or RSA Class 1. Therefore we see no problems for 2007.
4	Volume: -5% Price: -5-10%	Bring the "RSA 1" standard into the export (PPECB) regulations/ protocol, and mark it Choice, Prime or whatever – except Class 2, or any reference to a Grade 2, or the letter "2".
7	Volume: -5-10% Price: +5-10%	"My voorstel is die volgende: (1) EU standaard, (2) EU2 = RSA 1 standaard, letsy Afrika of Europa, (3) RSA 2 standaard (Die huidige Klas 2 ), (4) Pakhuis uitval of Klas 3. Ek sal nie dispensasies toestaan nie, indien die standaard struktuur aangepas word nie".
20	Volume: -11-25% Price: -11-25%	Mark carton as per legal requirement e.g. Class 1 or Class 2. Identify marketing class on system e.g. Paltrack. Downside is forklift drivers loading easily choose wrong marketing grade, since not visible on carton / pallet.
17	Volume: -11-25% Price: -5-10%	We have to push for it to be allowed. There is more motivation for allowing it, than not. If we cannot allow it, then less fruit will be exported. This will effect all domestic markets, as exporting RSA 1 gives alternatives ie, at times domestic markets are better = pressure on export markets and vice versa. Due to quality we produce in SA, there is always a large % RSA1.
16	Volume: -11-25% Price: No change	No written comment
13	Volume: -11-25% Price: -11-25%	No written comment
12	Volume: -11-25% Price: -11-25%	Refer to comment in by our Technical Manager. Have a separate RSA 1 specification for these countries like before. Keep dispensation.
9	Volume: -11-25% Price: + 5%	No written comment
5	Volume: -11-25% Price: -11-25%	Take the world standard and mark the fruit Class 1, or debate until they allow the introduction of a Class RSA1.
21	Volume: -26-50% Price: -11-25%	Possibly using a different marking description, eg Choice, Fancy, Extra Fancy. Move away from a numerical description.
18	Volume: -26-50% Price: -26-50%	An alternative name for Cat EU2/ RSA1, eg Choice or Select, but then this category must be unable to go to EU etc,
15	Volume: -26-50% Price: -11-25%	Apply again by your organisation.
10	Volume: -26-50% Price: -26-50%	Fruit needs to be labeled/marked RSA1. This is the standard that Africa has come to know. Thus a reintroduction and education will be needed. This is going to cause losses in Sea export volumes. The name RSA 1 is identified as Africa specific and I do not feel it is necessary to alter this.
8	Volume: -26-50% Price: -11-25%	Keep the RSA1 standard, or change to another standard, ie Choice.
6	Volume: -26-50% Price: -11-25%	Apply again by your organisation.
3	Volume: -26-50% Price: -11-25%	In the past it was done to streamline the standard from a 3 tier standard, to a 2 tier standard. We should just change to a 3 tier standard where RSA class 1 is named, defined and published in the Government Gazette. Then dispensations would no longer be necessary.
23	Volume: -26-50% Price: -26-50%	No comment

Organisation	Answer to 1A & 2A	Answer to 9A
19	Volume: -51-75% Price: -51-75%	We are currently packing a Super Quality. This quality is a super local Class 1 product. This super is labeled as a Super on the box, and the quality is on RSA1 standard. Thus we can export this fruit as a Super You can pack it and label it as EU2, but this "2" is not accepted in Africa, because of their choice for the "1" on the box. They assume that if a "2" is on the box, it is inferior fruit, which it is not.
14	Volume: -51-75% Price: -51-75%	I cannot recommend anything but RSA1! EU2, would like RSA Class 2, give a negative perception of the standard of fruit. EU1 fruit will have a price barrier in Africa.
11	Volume: -51-75% Price: -51-75%	Not to change the present system under any circumstances!
2	Volume: -51-75% Price: -26-50%	Without the dispensation as it is now, we will not be able to export fruit to our receivers. We as an industry must find a solution, together with the NDA, to export to these markets with a Class 1 sticker on the carton.
24	Volume: -11-25% Price: -11-25%	We will have to accept having to export at lower prices and quality will be looked at more critically. Claims can be expected. Recommend that we do not give up applying.