
MAERSK

Outlook on Shipping, Ports & Rail Developments

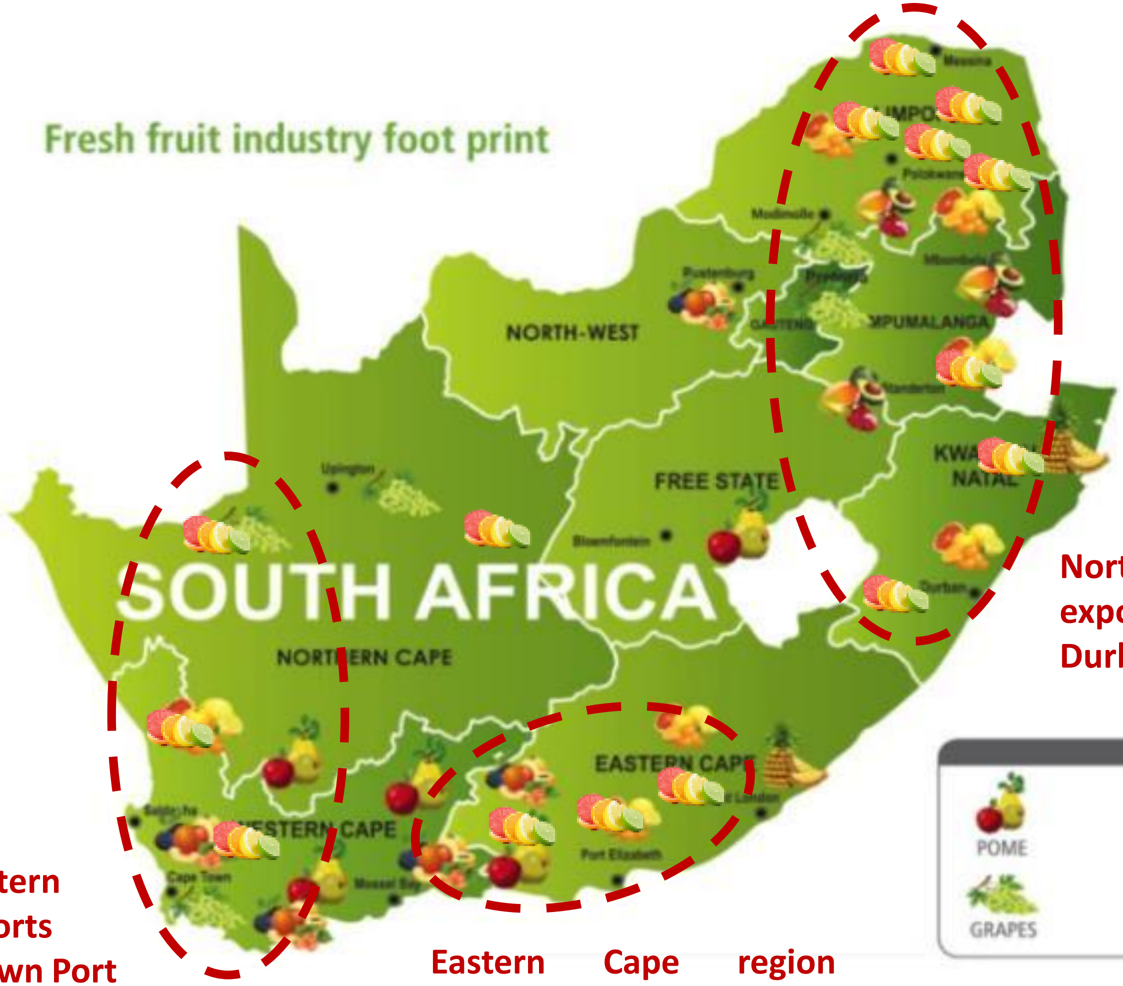
Subtrop Marketing Symposium
November 2019

Mitchell Brooke
Logistics Development Manager
Email: mitchell@cga.co.za

Citrus Growers' Association
OF SOUTHERN AFRICA

Map of Fruit Production in SA

The 3 key citrus production and export corridors must be considered independently for logistics purposes



Northern region exports through Durban Port (50%)

Northern & Western Cape region exports through Cape Town Port (20%)

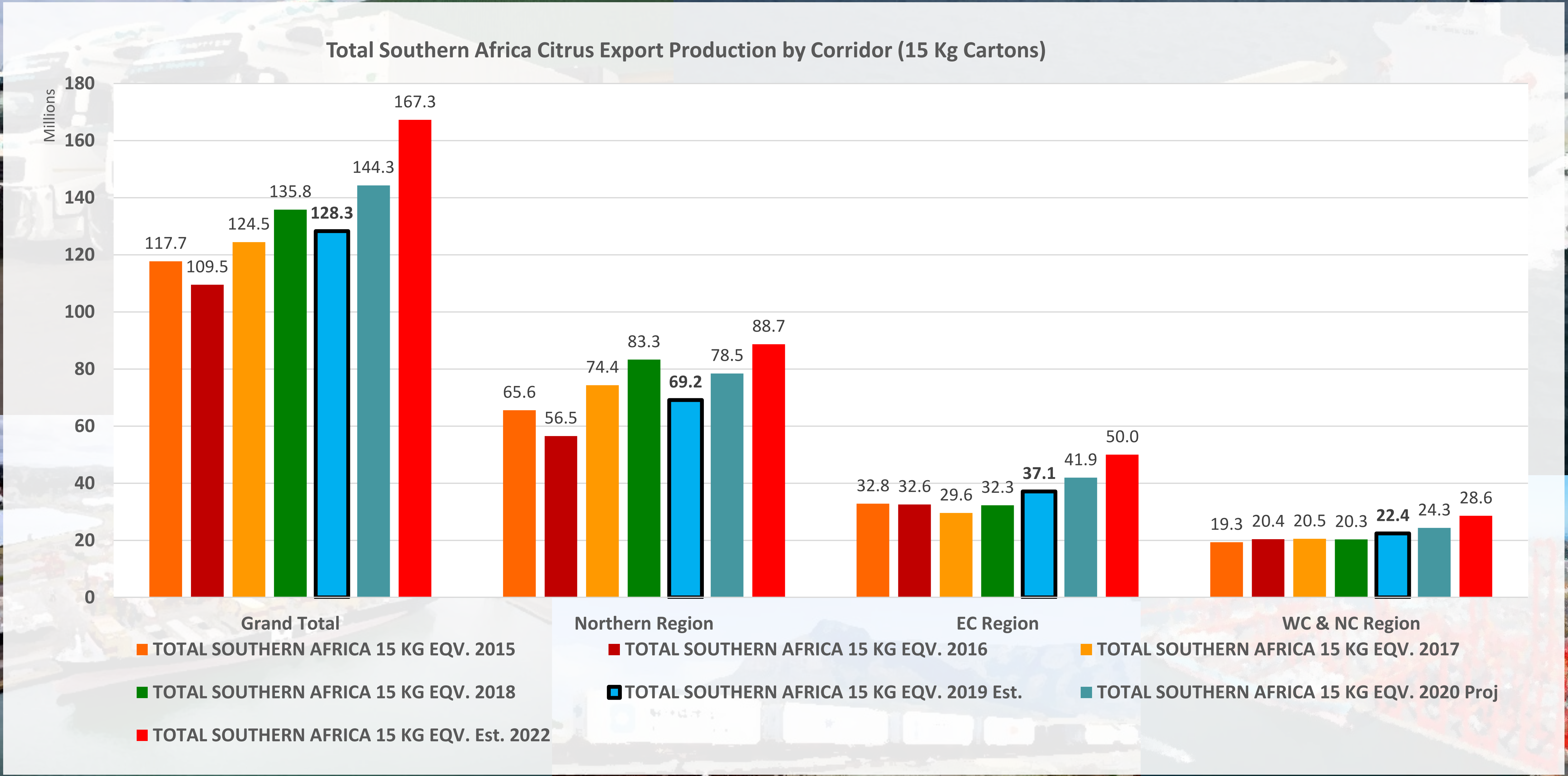
Eastern Cape region exports through PE & Coega Ports (30%)

Source: CGA

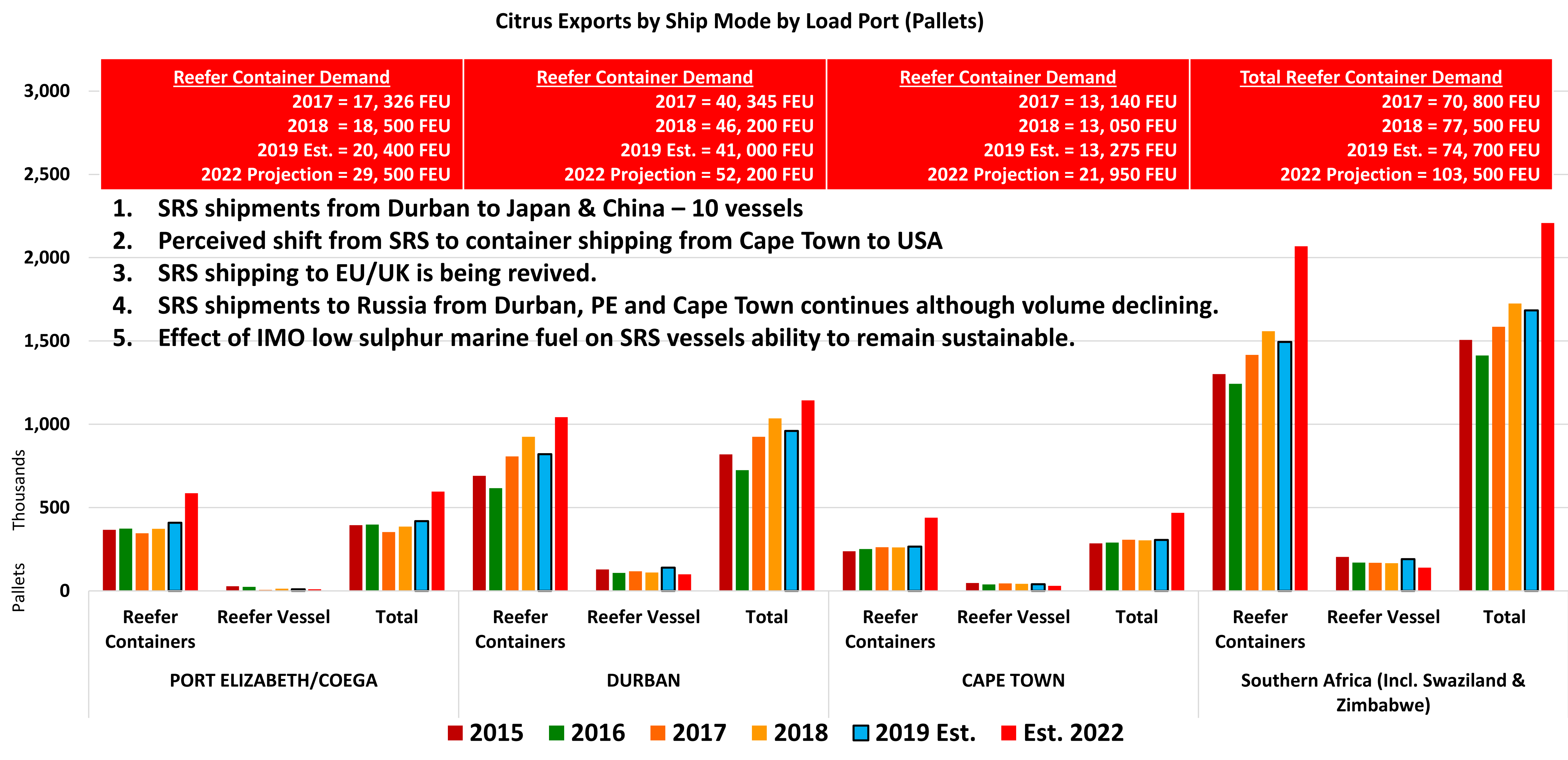
2022 Citrus Export Production Forecast

TOTAL SOUTHERN AFRICA 15 KG EQV.												
Cga Region	2015	2016	2017	2018	2019 Est.	2020 Proj	Ha <4 Yrs	Ha Total	% Ha <4 Yrs	% Vol Increase	Vol Increase	Est. 2022
Boland	4 257 116	4 944 733	5 107 872	5 003 542	5 944 967	6 700 000	2 401	4 698	51%	105%	3 860 000	9 000 000
Burgersfort	0	858 000	2 559 000	2 545 000	2 550 000	3 315 000	0	0	0	0	0	4 250 000
E. Cape Midlands	2 256 658	2 501 352	1 879 686	2 374 477	2 310 999	2 575 000	403	1 875	21%	27%	852 500	3 350 000
Hoedspruit	10 141 970	6 344 765	11 614 609	11 757 712	11 703 477	12 450 000	1 436	6 369	23%	29%	2 725 000	13 175 000
Letsitele	18 599 858	14 565 424	18 747 750	21 275 963	17 576 754	19 325 000	2 143	11 121	19%	24%	4 030 000	20 925 000
Limpopo River	6 599 897	6 290 854	7 714 782	9 247 666	7 676 046	8 275 000	673	4 571	15%	17%	1 175 000	8 700 000
Nelspruit	6 491 168	5 295 591	7 247 228	4 411 950	4 337 678	4 700 000	2 047	5 661	36%	57%	3 300 000	5 755 000
Nkwaleni	1 189 677	1 193 463	1 565 172	1 304 944	1 417 556	1 415 000	130	1 169	11%	12%	185 000	1 662 500
Onderberg	4 767 171	4 001 109	4 119 029	4 684 247	4 069 167	4 555 000	489	2 970	16%	20%	782 500	4 971 500
Oranje Rivier	1 140 777	1 540 369	2 080 183	1 869 816	2 026 154	2 000 000	287	1 511	19%	23%	275 000	2 275 000
Patensie	7 945 105	8 897 550	8 320 027	8 131 806	9 544 351	10 650 000	1 643	5 345	31%	44%	4 200 000	12 800 000
Pongola	441 095	364 862	415 863	434 919	534 062	60 000	11	192	5%	6%	15 000	460 000
S.R. Valley	22 316 270	20 836 036	19 021 027	21 356 176	24 888 221	28 300 000	3 709	13 854	27%	37%	10 700 000	33 400 000
Senwes	13 464 853	14 347 513	16 650 771	22 830 404	15 147 644	19 700 000	2 320	10 990	21%	27%	5 400 000	24 000 000
S-KZN	604 584	458 081	611 862	694 668	699 054	740 000	138	584	24%	31%	190 500	801 500
Swaziland	719 660	622 000	562 115	895 968	688 000	750 000	80	484	17%	20%	55 000	750 000
Vaalharts	312 036	329 627	368 340	405 593	391 534	395 000	46	288	16%	19%	67 500	440 000
W. Cape	13 934 100	13 911 476	13 337 683	13 423 004	14 027 967	15 250 000	2 427	10 229	24%	31%	4 000 000	17 300 000
Zimbabwe	2 558 200	2 196 900	2 546 900	3 185 300	2 757 000	3 175 000	282	1 853	15%	18%	295 000	3 237 000
Grand Total	117 740 196	109 499 705	124 469 898	135 833 155	128 290 630	144 330 000	20 664	83 764	25%	33%	42 108 000	167 252 500
Northern Region	65 578 132	56 538 562	74 355 080	83 268 741	69 156 438	78 460 000	9 749	45 964	21%	27%	18 153 000	88 687 500
EC Region	32 830 069	32 564 565	29 589 080	32 268 052	37 135 105	41 920 000	5 800	21 362	27%	37%	15 820 000	49 990 000
WC & NC Region	19 331 994	20 396 578	20 525 738	20 296 362	22 390 622	24 345 000	5 115	16 438	31%	45%	8 135 000	28 575 000

2022 Citrus Export Production Forecast



Outlook on Shipping and Reefer Equipment 2022



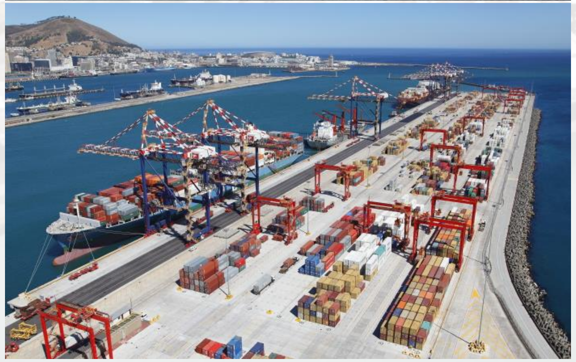
Outlook on Logistics & Shipping:

- If SA port container terminals remain unproductive causing delays to ships, congestion surcharge imminent!
- 1 January 2020, IMO Low Sulphur marine fuel requirement likely to add USD300-500 per 40ft reefer container.
- Upward price of Diesel fuel likely to increase transport costs.
- Moving to 2022, growth in citrus exports will significantly increase logistics and shipping challenges.
- Demand for reefer containers weeks 28-36 (Due to rapid expansion of Mandarin exports during Valencia peak). Supply likely to be tight!

Outlook on Port Productivity (TPT):

Durban
- Resources
- Straddles
- Road access

Ngqura
- Resources
- Reefer plug points
- Wind
- Surging



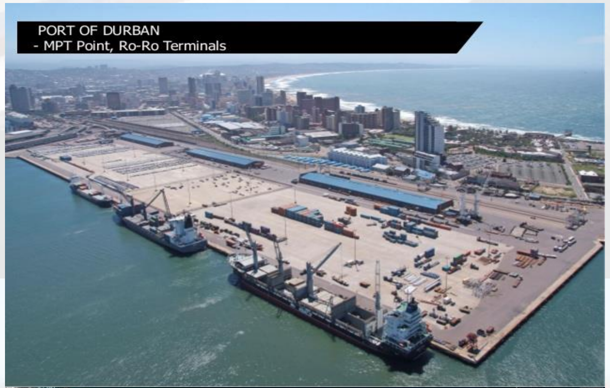
Cape Town
- Resources
- Straddles / RTG’s
- Wind
- Surging

<u>Underlying issues within TPT –</u>
- Productivity across all terminals <30%.
- Withdrawal of bonus Incentive Scheme leading to demotivated staff.
- Management & staffing shortages.
- Equipment failure, poorly maintained equipment and shortage of equipment.
- Roads and access infrastructure.
- Continued ICT failure.

<u>18 Month Recovery</u>

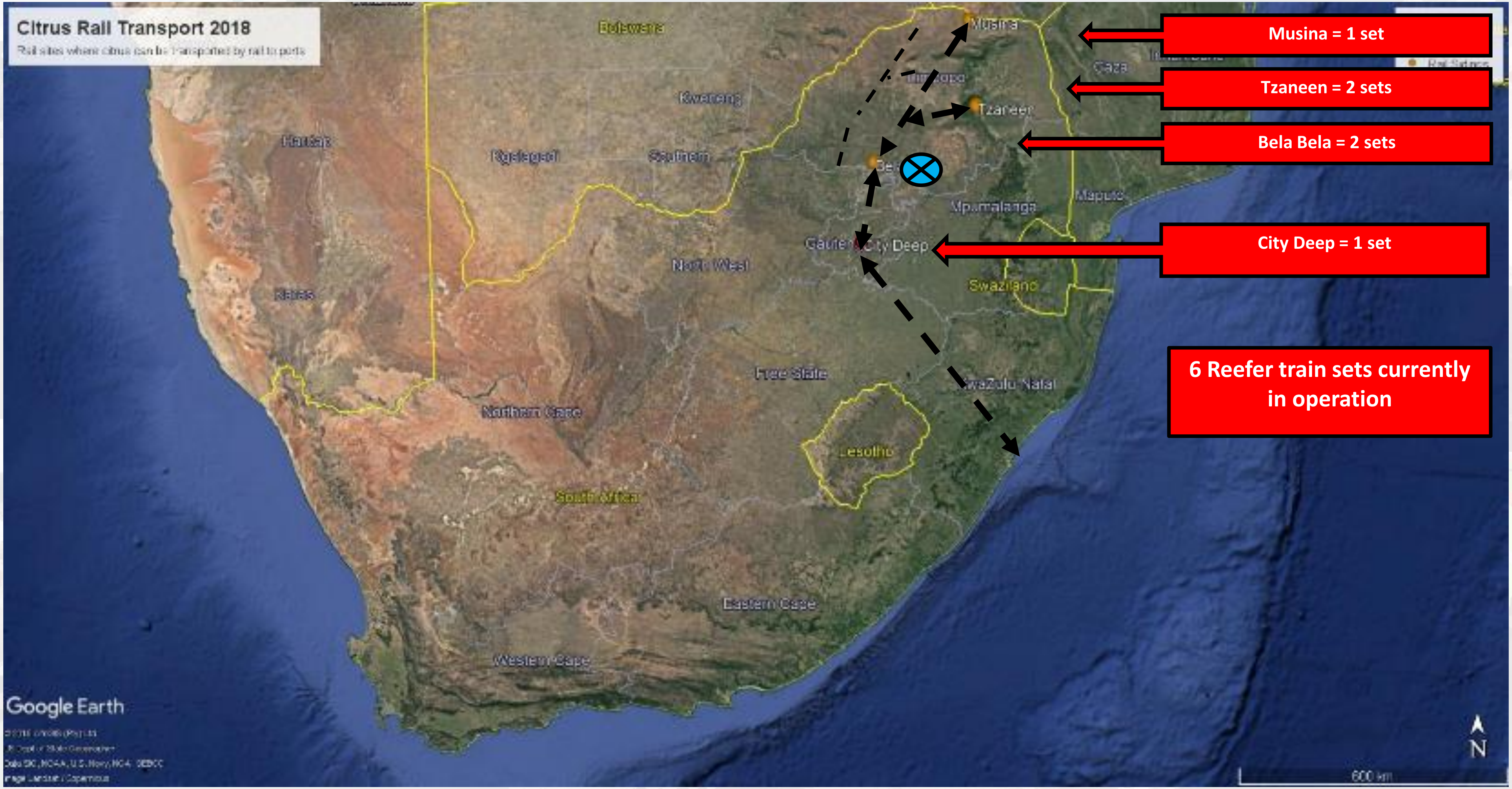
PE
- Cranes
- Draft
- Wind

Durban MPT
- Mobile cranes
- Road access

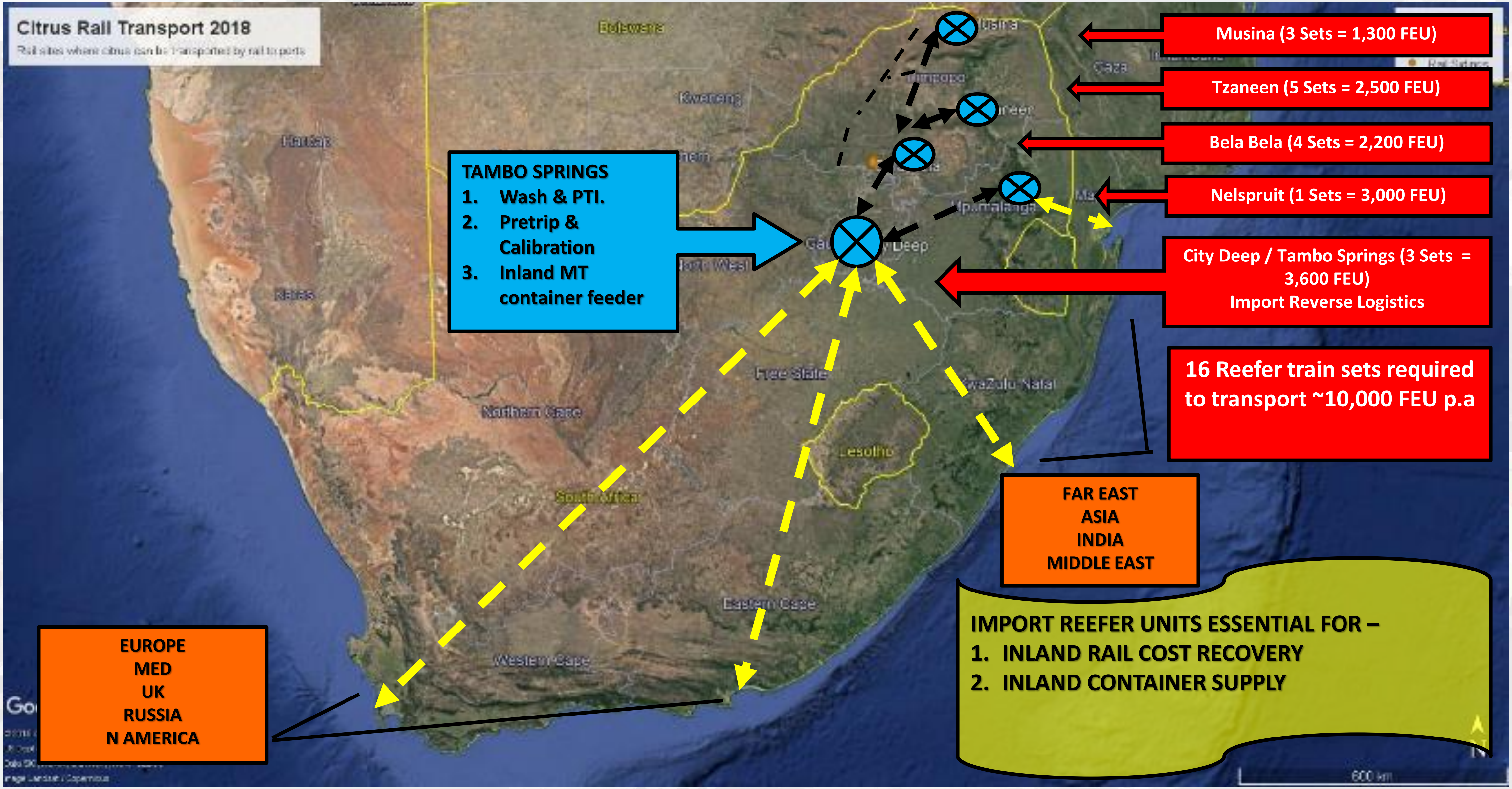


CT MPT
- Straddles
- Mobile cranes

Citrus REEFER Rail Transport - Current



Citrus REEFER Rail Transport - Strategy 2022



Rail Transport Strategy 2022:

1. Investment – cold storage (COT & FMS), rail siding development & reefer trains.
2. Collaboration – exporters, shipping lines, TFR, TPT & rail operators.
3. Shipping lines commitment & equipment supply.
4. Pricing – Coega & Cape Town port.
5. Railing of import reefers inland imperative.
6. Integration between TPT & TFR.
7. Security & Risk
8. Operational guarantees

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Many Thanks

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