



FRUIT JUICE MATTERS

APRIL 2020



CORONA VIRUS: COVID-19

As the world wrestles with the unprecedented implications of the COVID-19 coronavirus pandemic we are facing a human crisis unlike any we have experienced and our economic and social fabric is under severe stress. Thus far the incidence in South Africa has been relatively limited, but the great concern is the potential impact on a vulnerable population.

JUICE CONFERENCE

We decided to postpone the IFU/SAFJA Juice Conference organized for the 19 & 20th May 2020 at SPIER in Stellenbosch, due to the worldwide health risks related to COVID-19. We had expected to host more than 200 local and overseas industry delegates and speakers. However all arrangements in respect of venue, accommodation and registrations remain valid for the new conference dates of the 11 & 12 May 2021. In addition the Global Juice Summit which was to be held in Antwerp on the 14 & 15th of October 2020 has also been postponed for a year to 2021.

BEVERAGE INDUSTRY RESPONSES

Food and non-alcoholic beverages are classified as essential items and are therefore being produced and sold without interruption.

Currently the focus is on business continuity and this also includes inbound and outbound supply chains. As to be expected with such a new dispensation there have been many practical challenges, but these are being resolved either directly or via industry bodies with the appropriate local, provincial or national authorities. In this regard capacity at the ports is essential both for primary (exports) as well as processed (raw material imports and juice exports) agricultural products.

Juice production is very important for the Western Cape as more than 50% of our fresh fruit intake is from the region and it is essential that harvesting also continues uninterrupted.

Factories are taking the necessary measures to avoid the spread of COVID-19 in the workplace. This includes measures in respect of hygiene, sanitization and education and they also have contingency plans in place.

Consumers will be under significant pressure and there is a keen spotlight on retail to resist price increases.

LONGER TERM

We need to resolve the human crisis, but what does the future hold for our economy? The South African economy was already struggling with negligible growth and structural challenges. This was recognized by the rating agencies and resulted in the latest downgrade. The additional impact of COVID-19 will be devastating. This will lead to further economic problems and GDP is expected to decline by 6% in 2020. We are unsure what Government measures will be put in place, but we certainly need both a smart lockdown exit plan as well as much more substantial support measures to revive the economy.

Wishing you all the best in these difficult times and stay safe.

