FROM THE DESK OF THE CEO (24/09)

Justin Chadwick (19 June 2009) Citrus Growers Association (CGA)

QUOTE OF THE DAY:" *Catch a man a fish, and you can sell it to him. Teach a man to fish, and you ruin a wonderful business opportunity." Karl Marx*

AGRI TV: A reminder that citrus will be featured again on Monday and Tuesday next week on Agriculture Today, SABC 2 @05h20.

USDA APHIS VISITS

On 29 June USDA APHIS personnel will visit the Limpopo River region to further investigate the application for CBS pest free places of production. Surveys have been completed in the region and it is hoped that this visit will pave the way for US access.
On 17 July a second delegation will arrive in South Africa and head south for the Cape. This delegation will visit packhouses, farms and the port in the Western Cape to look at the implementation of standard operating procedures in packhouses and other systems in place in the region. A favourable visit should result in reversion of the cold treatment for citrus to USA to its technically justified level.
The application for the Northern Cape area has progressed to the next level, and it is hoped that the visits may bring good news in terms of that application

CITRUS MARKETING FORUM (CMF)

It was a fairly somber meeting of the CMF on Thursday – although it was pleasing to see such a good turn out. No matter how much of a positive spin was tried, the general feeling is one of a tough season with caution being expressed in most markets. The one positive coming through from the market reports was that quality in general has been good in 2009 to date – unfortunately prices have not recognized this improvement in quality, with most markets indicating unfavorable price levels. With significant early season shipments to the Middle East it was interesting to hear of good sizing and quality of South African fruit in the market. In addition, the overlap with Egyptian fruit was not for as long as expected. Although the market is stable at present – it is stable at very conservative prices. The Russian market has also received good volumes to date, but lower than 2008. Information from the grape industry is that exports were 50% down on previous years; however, this is not the complete picture as a fair amount of fruit went to Russia via Europe. Fortunately for South Africa large volumes anticipated from Morocco for the Russian market did not materialize. The European market for oranges remain flat with Moroccan, Egyptian and Spanish citrus still around. However, good sized fruit is doing well. Interest in South African lemons is starting to rise, but the market is still flat. In grapefruit, marsh is encountering difficult selling conditions, as is smaller sized star ruby. For soft citrus the demand has been good and prices are holding out. In Japan sales rates for grapefruit continue to be about 20% below the five year average, which is concerning; however, South African fruit is only now coming onto the shelves and sales rates in the next few weeks will be watched with interest. The grapefruit focus group has revised the Japan grapefruit projection down from 4 m to 3.7 m 17 Kg cartons. In China orange sales rates are lower than normal with low prices achieved. There are also fairly high stocks of lemons in that market. The first shipments to USA have departed – the size and quality of fruit going into that market are excellent and loyal buyers of South African fruit will be rewarded for their loyalty.
The CMF also held a fairly lengthy debate on dispensations – with divergent views form different delegates. In 2009 to date only 13 dispensations have been requested, way down on previous years, which is a good sign. There were no dispensations for grapefruit or soft citrus – with the Soft Citrus focus group adopting a "no dispensation" approach. It was generally agreed that if standards are set correctly, then the need and rationale for dispensations should fall away. There is a need to determine the impact of fruit allowed dispensations in the past – did they have a detrimental impact on the market? All delegates (and in fact all role-players in the citrus industry) were encouraged to attend the annual industry standards workshop – in the past very few people attended these meetings; resulting in little debate and few changes to the standards. There is a general call for higher standards to protect the quality image of South African citrus. It is envisaged that the standards workshop will be held in late September or early October.

FVO Visit

Thanks to all the growers who hosted the FVOP delegates over the past week, and to Mike H, Mashudu and Hennie who accompanied them. To date they have visited farms and packhouses in the north (Letsitele, Hoedspruit and Nelspruit) a nursery (thanks Abs) and CRI (thanks to all the researchers). I have heard that the visit has gone well so far – the delegation has been impressed with the systems in place, and the paperwork. Next week the delegation will visit Eastern Cape, Durban Port and the Western Cape – thanks to all those who have made themselves available for the visit.

PACKED AND SHIPPED 2009

To Week 24 – Million 15Kg cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed	Final Shipped
Source : PPECB	2007	2008	2009	2008	2009	2009	2009	2008	2008
Grapefruit	9.2 m	9.3 m	9.4 m	6.7 m	6.5 m	15.1 m	14 m	12.8 m	12.4 m
Soft Citrus	4.8 m	5 m	4.5 m	3.6 m	3.4 m	7.4 m	7.1 m	7.3 m	6.5 m
Lemons	3.4 m	5.7 m	4.2 m	4.5 m	2.9 m	9.4 m	8.6 m	9.6 m	8.8 m
Navels	8.4 m	9.6 m	9.1 m	5.5 m	5.2 m	21.6 m	20.4 m	21.5 m	21.2 m
Valencia	2.1 m	2.5 m	1.3 m	0.5 m	0.3 m	43 m	42.1 m	42.8 m	40.4 m
	27.9 m	32.1 m	28.5 m	18.8 m	18.3 m	96.5 m	92.2 m	94 m	89.3 m

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