

## FROM THE DESK OF THE CEO (18/10)

Justin Chadwick (7 May 2010)

QUOTE OF THE WEEK "Nobody realizes that some people expend tremendous energy merely to be normal" Albert Camus

### BE SURE ABOUT YOUR PLANTING DECISIONS

Private cultivar companies have filled a gap after deregulation and introduced some really exciting and profitable new products into the southern African citrus industry. Growers need to be careful that they are not putting too much pressure on these companies to release cultivars before they are adequately evaluated. Planting the wrong type of cabbage or green mealies may result in reduced profit, but planting the wrong citrus variety has more serious long term repercussions. All citrus growers know about the time it takes for an orchard to break even, and if the choice of cultivar is wrong the financial consequences are dire. Growers are encouraged to ensure that the cultivar that they are planting has been **properly evaluated** by an **independent expert**. The best bet is to make sure that the CRI has done the evaluation. If you need any information phone Andy Lee on 072 9920892 or 041 9911300. And make sure that the evaluation has been done in your region – your specific climatic conditions etc. will influence how a cultivar performs on your farm. Be careful when a cultivar owner asks you to sign an indemnity with regard to the performance of the cultivar – you may find that it has not been properly tested in your region. Obviously there are some advantages in being the early adopter of a new cultivar – and if it works you can "steal a march" on your neighbors and get some niche advantage as they play catch up – BUT BE AWARE OF THE RISKS. This point was highlighted at the recent lemon focus group meeting where most regions indicated that a recently released lemon variety was underperforming, and many orchards had been pulled up due to poor yields, poor timing and disease problems.

### CITRUS MARKETING FORUM (CMF)

The next CMF will be held on **THURSDAY 27 MAY 2010 at 10h00**. The meeting will be held at the normal venue (Willow Park Conference Centre) – shuttle buses are available from OR Tambo Airport (by arrangement). **WITH THE EXCHANGE RATE BEING A KEY FACTOR IN EXPORTS IN 2010 EXPERTS FROM TREASURY ONE WILL ADDRESS THIS ISSUE AT THE CMF.**

### GLOBAL CITRUS CONFERENCE

As we head towards two months to go to the Global Citrus Conference (8 and 9 July in Cape Town, more detail on [www.gcc.co.za](http://www.gcc.co.za)) leading experts in various fields have been confirmed as speakers. These speakers will be highlighted in the next few newsletters. In my opinion the most in depth researcher on global fresh produce in the world is **Eric Imbert** of CIRAD in France; and his publication Fruitrop always looks at fresh produce from a different yet very enlightening angle; with the best graphics that I have seen in any publication. Eric is very involved in the Mediterranean citrus industry CLAM, and also is often called upon to give information and advice to European Commission bodies. We have fortunately persuaded Eric to present on the state of play in the global citrus environment – who is producing what and what are the trends in terms of different countries dynamics – which countries are showing growth and which are in decline, and why. No doubt with Eric's graphics and careful research this will be a session not to be missed.

### TRANSNET STRIKE

Transnet employees are due to strike on Monday due to a pay increase dispute. Transnet has informed clients that contingency measures have been put in place to ensure business as usual. For more information see Mitchell Brooke's report on [www.cga.co.za](http://www.cga.co.za). The report also gives the latest information on Maputo and the road to rail initiative (called CGA Logistics Newsflash). Obviously Maputo will not be impacted by the strike.

### PACKED AND SHIPPED

The **lemon** focus group left their estimate unchanged, decreases in northern areas due to rain and the need to start packing grapefruit offset by increases in other regions. For **Satsuma** 1.72m cartons of the original 1.88m have now been packed – the latest prediction is for 1.9 m cartons. With a decrease in the mandarin estimate total soft citrus prediction have been reduced from the original estimate by 100 000 cartons.

**Russia** continues to be the market of choice for many exporters – absorbing 77% of grapefruit, 32% of navels, 30% of lemons and 21% of soft citrus exported to date.

Although Japanese stocks of grapefruit remain high, good sales last week mean that the stock levels did drop and now represent 5 to 6 weeks of sales. Given that Swazi and South African grapefruit will arrive in the port in the first week of June there should be a seamless transition between northern and southern hemisphere seasons.

| To Week 17<br>Million 15 Kg Cartons | Packed | Packed | Packed | Shipped | Shipped | Original<br>Estimate | Latest<br>Prediction | Final<br>Packed | Final<br>Shipped |
|-------------------------------------|--------|--------|--------|---------|---------|----------------------|----------------------|-----------------|------------------|
| <b>SOURCE: PPECB</b>                | 2008   | 2009   | 2010   | 2009    | 2010    | 2010                 | 2010                 | 2009            | 2009             |
| Grapefruit                          | -      | 1.9m   | 1.1m   | 0.23m   | 0.16m   | 12.6m                | 12.6m                | 14.2m           | 13.7m            |
| Soft Citrus                         | -      | 1.5m   | 1.9m   | 0.95m   | 1.3m    | 7.4m                 | 7.5m                 | 6.8m            | 6m               |
| Lemons                              | 0.01m  | 1.6m   | 1.9m   | 0.81m   | 0.62m   | 9m                   | 9m                   | 8.7m            | 7.7m             |
| Navels                              | 0.02m  | 0.29m  | 0.34m  | 0.03m   | 0.03m   | 21.5m                | 21.5m                | 19.4m           | 19.1m            |
| Valencia                            | 0.01m  | 0.01m  | 0.01m  | 0.01m   | 0.01m   | 41.3m                | 41.3m                | 38.5m           | 35.3m            |
|                                     | 0.04m  | 5.3m   | 5.25m  | 2.03m   | 2.12m   | 91.8m                | 91.9m                | 87.6m           | 81.8m            |

**GROWERS' FUND THEIR FUTURE THROUGH THE ACTIVITIES OF THE CITRUS GROWERS' ASSOCIATION, CITRUS ACADEMY AND CITRUS RESEARCH INTERNATIONAL**