

FROM THE DESK OF THE CEO (27/10)

Justin Chadwick (16th July 2010)

QUOTE OF THE WEEK "If all the world's a stage, I want to operate the trap door" Paul Beatty

CELEBRATE SUCCESS; SOUTH AFRICA ACHIEVED 9/10 FROM FIFA FOR HOSTING THE BEST EVER WORLD CUP. I WOULD HAVE GIVEN 10/10.

CITRUS GROWERS' ASSOCIATION

I never take leave in June/July – and this year with the biosecurity threats on our northern borders, the aftermath of the Transnet strike and the impending Competition Commission investigations surrounding the container lines ill considered congestion surcharge; it was with mixed feelings that I took leave and disappeared into the African bush. On returning I am both gratified and worried. I am gratified because CGA is now staffed by a competent bunch who can resolve issues and "keep the ship on its course". Thanks to Paul, John and Mitchell for keeping this newsletter going and to Gloria, Robert, Liane and Lukhanyo for carrying the additional load. I am worried because it may be that the CGA Board deem me dispensable and put me out to pasture!!!!

GLOBAL CITRUS CONFERENCE

When we started discussing the idea of a global citrus conference some 18 months ago the goals were as follows:

- To present a citrus specific conference. Although there is a wide range of choice in terms of conferences, they either deal with fruit as a whole, or with all fresh produce. We wanted a conference that would focus on citrus.
- We wanted FRESH speakers with FRESH topics.
- Given that the world cup was on at the same time, we hoped to attract many from the international citrus family.

As it happened the airlines got greedy and dissuaded many from visiting South Africa through exorbitant ticket prices, and so many keen international visitors had to employ austerity measures and did not visit our beautiful country. Those who did make the trip (from Australia, Argentina, Spain, United States, Uruguay, Morocco, United Kingdom, and France) were blown away by the hospitality, natural beauty and national pride that they experienced.

The presentations were the best that I have been exposed to for some time – the speakers were obviously experts in their field and concisely covered their topics, leaving much food for thought. The presentations are available on www.gcc2020.co.za – I am sure you will agree!!

Although this was planned as a once off conference, the value of such an event and the positive comments from delegates could mean similar events in the future – watch this space!!!

PACKED AND SHIPPED

Eric Imbert (CIRAD, France) presented some pretty compelling evidence (at the Global Citrus Conference) that the European stone fruit crop impacted heavily on the prices achieved by southern hemisphere citrus in Europe. And he sounded a warning that the European stone fruit crop was late and fairly big – as such exporters into Europe must be aware that citrus pricing into Europe may come under pressure. The same is also true for grapefruit into Japan, where domestic fruit is starting to arrive in larger volumes, competing with South African grapefruit.

Last week's table for latest prediction on grapefruit was incorrect; it was expressed in 17Kg cartons. The variety focus groups (FG) have all kept their predictions pretty much in line with original estimates (lemon FG met on 6/7; grapefruit FG on 5/7; Valencia FG on 30/6 and soft citrus on 15/7) with the exception of the navel FG which met on 14/7 and knocked 1.2 million cartons off the estimate. This is mostly due to inclement weather in the Marble Hall region.

With the upcoming visit by the President to Russia it is interesting to note the importance of this market – grapefruit volumes have increased from 9% to 13% (year to date); lemons from 11% to 16%; navels 9% to 13% and soft citrus 9% to 12%. At the Global Citrus Conference Clem Sunter discussed the recession and recovery there from, his take home message was that Europe, America and Japan would take some time to recover – with 2015 the prediction for full recovery; while markets in the East and Russia would see a quicker recovery. And with recovery would come more demand for resources, and particularly oil. The Russian economy is very closely aligned to the oil market – so although higher oil prices do impact on transport costs; they do lead to a more buoyant Russian market.

It's also interesting to note that the packed figures for 2010 are the same as 2008 – and in that year we packed 89.3 million cartons; so maybe the prediction of 90 million cartons for 2010 is realistic.

To Week 27 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed	Final Shipped
SOURCE: PPECB	2008	2009	2010	2009	2010	2010	2010	2009	2009
Grapefruit	11.6m	11.9m	10.8m	10.1m	8.5m	12.6m	11.6m	14.2m	13.7m
Soft Citrus	5.9m	5.4m	6m	4.4m	4.8m	7.5m	7.9m	6.8m	6m
Lemons	6.9m	5.5m	7.1m	4.1m	4.7m	9m	8.8m	8.7m	7.7m
Navels	15.2m	14.6m	16.9m	11m	11.7m	21.4m	20.2m	19.4m	19.1m
Valencia	6.8m	5.6m	5.6m	2.2m	2m	41.3m	41.5m	38.5m	35.3m
Total	46.4m	43m	46.4m	31.8m	31.7m	91.8m	90m	87.6m	81.8m

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