FROM THE DESK OF THE CEO (37/10)

Justin Chadwick (24 September 2010)

QUOTE OF THE WEEK ***"I told the doctor I broke my leg in two places. He told me to quit going to those places".***

– Henny Youngman

GLOBAL CITRUS CONFERENCE

This week Thursday a Freshfel/SHAFFE global citrus teleconference was held. Inputs were received from northern hemisphere suppliers (Morocco, Spain, Greece, Cyprus, USA, Turkey and Italy), southern hemisphere suppliers (Argentina, Australia and South Africa) and market representatives (UK and mainland Europe).

The major objective was to get information on the forthcoming northern hemisphere citrus season and feedback on the past (or almost past) southern hemisphere season. In terms of the Mediterranean production areas information was supplied from all sources other than Egypt. Egyptian production was taken at the last year's figures. Total citrus production in the Mediterranean basin is forecast to increase by 2.2% (from 17.560 million tons in 2009/10 to 17.173 million tons in 2010/11); with oranges decreasing by 6% (9.713 m tons to 9.133 m tons); grapefruit decreasing by 9.5% (0.597 m tons to 0.54 m tons); soft citrus increasing by 3.3% (4.68 m tons to 4.84 m tons) and lemons increasing by 4.5% (2.549 m tons to 2.664 m tons).

Comments received from participants were as follows:

- **Spain** – recovery after an off year (2009/10) but not to record levels of 3/4 years ago. Industry positive about the new year. The crop will be 10 to 15 days later because of delayed maturity. Is raining at the moment (the rain in Spain falls….) and so sizing could improve. Increase expected in processing and exports. **Oranges** anticipated to increase by 9%, mostly later varieties. Are concerned about end of South African season. **Soft citrus** to increase by 5% across all varieties. **Lemons** will recover to normal volumes (increase 20% over last year's poor season). Most increase in verna variety. Season 1 to 2 weeks later due to size and colour. Are concerned about early Turkish lemons. Lemon concentrate prices are high and should attract some of the increased volume. **Grapefruit** volume will increase by 10%, but will be delayed by 2 to 3 weeks due to low juices.
- **Morocco –** Production could be similar to previous year (no official estimate yet), but could be 2 weeks earlier. Good demand on domestic market could reduce export volumes.
- **Italy – Oranges** predicted to be 2 to 3% down, but with good sizing. **Lemons** 20% down; **soft citrus** similar to previous year except clementines predicted to be 20% less; strong rain in previous year limited flowering.
- **Greece –** quality good with volumes similar to previous year.
- **Cyprus –** Recovery in **lemons.** Concern expressed about **grapefruit** prices that have dropped to levels that make this citrus sector unprofitable and unattractive – volumes will decrease by 10%.
- **Israel –** Total citrus will decrease by 10% due to less **shamouti, Valencia and grapefruit.** Decline due to cooler than usual spring, difficult flowering conditions and a severe hot summer. Growers are pulling out orchards with these varieties. **Easy peeler** volumes are increasing by about 10%.
- **Turkey –** Total citrus predicted to increase by 8%. But climatic factors (rainy and mild winter, hot summer) had different implications for the different sectors, **oranges and grapefruit** decrease by 10%, while **Satsuma** increase by 25% and **lemons** by 15%.
- **USA –** official estimate will come out on 8 October. Preliminary estimates show California **navels** to increase by 12%; Florida **grapefruit** increase marginally by 2 to 3%, and Florida **oranges** to increase by 5%.
- **Australia 2010** was down 30% with bigger fruit – good markets in USA and Japan, but not good in Asia due to bigger fruit. Good rains mean that rivers are running and indicate that 2011 could be a good year.
- **Argentina 2010** had good **orange** markets in Europe and Russia; good prices and volumes. Poor **Satsuma** because of big volumes from all s hemisphere suppliers, and poorer early quality. Rest of **soft citrus** did well. Had a low **lemon** crop but excellent pricing (fresh and processing).

FULL report and minutes will be available soon on www.cga.co.za.

PACKED AND SHIPPED

To Week 37 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	12.8 m	13.9 m	12.5 m	13.4 m	11 m	12.6 m	12.5 m	14.2 m	13.7 m
Soft Citrus	7.3 m	6.8 m	7.5 m	5.9 m	6.3 m	7.5 m	7.9 m	6.8 m	6 m
Lemons	9.3 m	8.3 m	9.5 m	7.2 m	7.3 m	9 m	9.6 m	8.7 m	7.7 m
Navels	21.5 m	19.4 m	22.2 m	19 m	22.1 m	21.4 m	22.3 m	19.4 m	19.1 m
Valencia	37 m	34.3 m	42 m	24.5 m	26 m	41.3 m	42 m	38.5 m	35.3 m
Total	87.9 m	81.7 m	93.7 m	70 m	72.5 m	91.8 m	94.3 m	87.6 m	81.8 m

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