

FROM THE DESK OF THE CEO (42/10)

Justin Chadwick (29 October 2010)

QUOTE OF THE WEEK: **"GO SHARKS!!!!"**

CITRUS MARKETING FORUM 27 OCTOBER 2010

With over a 100 of the citrus family gathering in Stellenbosch on Wednesday this week the CMF proved once again that it is the citrus calendar's "must attend" meeting. Although a bit confused in terms of attire (he was wearing a WP rugby jersey – and as Peter Nicholson observed it's new state showed that WP had not played in too many Currie Cup finals of late!!), Stuart Symington guided the CMF through many interesting and informative presentations. In essence the group was bullish about the past citrus season (although many delegates were less bullish and a bit blue about the end of the rugby season). Market feedback was as follows:

- 🍊 Middle East – a drop of 40% in grapefruit exports (albeit from a low base); a drop of 15% in lemons as more tended to go to Europe and UK due to better returns in those markets; clementines up 39% (and the feeling is that they could take more); oranges 8% up – although the year started off with some quality issues (ascribed to the late rains and strike delays) price levels were good and stayed consistently good throughout the year, not the volatility sometimes experienced in the past.
- 🍊 Japan – although grapefruit volumes were down by some 600 000 cartons the price did not improve – however the market was stable and prices maintained right through to the end; oranges were supplied responsibly leading to a good market and no build up of stock; less lemons into the market which is being better exploited by competing suppliers; no soft citrus into the market in 2010. The two shipping groups into Japan worked well. Still early to ascertain the success of the promotion campaign.
- 🍊 Europe/UK – Due to a low volume and early end to the Spanish verna crop the market for lemons started well, and even improved as the Argentinean freeze impacted on supplies; less soft citrus into the UK but that that did go achieved steady demand and good prices; after a slow start the navel market picked up nicely, with good demand for smaller sized fruit; the good market continued for Valencia where good sizing and quality resulted in good prices right to the end; less Star Ruby grapefruit went into these markets (perhaps as a result of good market conditions for the bigger fruit in Russia) and returns were better than the disastrous 2009 season for grapefruit. Fortunately this market was serviced by conventional reefer ships which reduced the negative impacts of the strike.
- 🍊 Far East – delegates were reminded that this market requires heavy pack weights, uniformity in size, smooth skin and is discerning. Due to late arrivals of fruit from the US the market was under pressure at the start and even later into the South African season. Early navels did not do well in the market (due to quality issues attributed to late rains and strike delays), but in general all the other citrus types did well, with a good market for valencias.
- 🍊 USA – this proved a difficult market due to the stronger rand, a weak economy, a very late Californian crop and increased competition from the southern hemisphere. Notwithstanding these factors South African volumes of clementines, navels and midnights all grew. The market was well supplied using smaller vessels and as a result shorter intervals, allowing South African exporters to deliver what was needed in terms of both volume and quality. As with other markets there were quality issues early in the year, but these were sorted out with the situation improving as the year unfolded. Grapefruit were exported to the US for the first time in 2010 – the small volume shipped was of excellent quality and sold well.
- 🍊 Russia – this proved to be the success story of 2010 with a significant increase in volumes across all the citrus sectors coupled with good prices. The bigger volumes were helped by the lower domestic fruit production (due to the drought) and lower volumes out of Argentina due to the freeze. In addition South African fruit was of good quality and there were more shipping opportunities.

DATES FOR 2011 REGISTRATIONS

GROWERS ARE REMINDED THAT REGISTRATIONS FOR PHYTO MARKETS CLOSE TODAY 29 OCTOBER 2010. All information and forms are on www.cga.co.za.

PACKED AND SHIPPED

The PPECB are still in the process of correcting the shipped figures: initial calculations indicate grapefruit at 12.4 m; soft citrus at 7.1 m; lemons at 9.2 m; navels at 22.6 m and Valencia at 45.9 m. Hopefully this will be finalized by next week.

To Week 42 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	14 m	12.5 m	13.7 m	11.2 m	12.6 m	12.5 m	14.2 m	13.7 m
Soft Citrus	7.3 m	6.8 m	7.5 m	6 m	6.4 m	7.5 m	7.5 m	6.8 m	6 m
Lemons	9.6 m	8.6 m	9.6 m	7.5 m	7.6 m	9 m	9.6 m	8.7 m	7.7 m
Navels	21.5 m	19.4 m	22.9 m	19.1 m	22.6 m	21.4 m	22.9 m	19.4 m	19.1 m
Valencia	42.8 m	38.3 m	46.4 m	34.4 m	38.1 m	41.3 m	46.4 m	38.5 m	35.3 m
Total	94 m	87.1 m	98.9 m	80.7 m	85.9 m	91.8 m	98.9 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