

FROM THE DESK OF THE CEO (46/10)

Justin Chadwick (26 November 2010)

QUOTE OF THE WEEK ***“Laws are like sausages. Its better not to see them being made.” Otto von Bismarck***

MORPHOLINE

At the Citrus Marketing Forum (CMF) meeting in October one exporter indicated the Morpholine incident in the EU would have wiped out sales for the last 20% of the Valencia crop. CGA estimated losses of between R350-R450 million in the EU alone, excluding losses in other markets that would have collapsed with the arrival of diverted fruit. The value of direct CGA/CRI contact with EU regulators and the Trade over a number of years proved pivotal in averting this sure disaster. The solution from CGA/CRI engagement (the “dispensation” permitting the sale of citrus onto the EU market) drew to an end on the 19th November 2010. As far as CGA are aware no fruit was ultimately withheld from the EU market in 2010 – an extremely favorable outcome given the scale of the threat. The requirements for the 2011 export season are very clear – no substances may be included in waxes unless they are positively listed in the Food Additives legislation. CGA are already engaging with interested parties with the goal of having Morpholine included as a Food Additive but this process will take at least one year (assuming all the required application data can be sourced). CGA/CRI will be shortly compiling a more detailed communication to the citrus industry around Morpholine about the waxing considerations for 2011 season. Bear these factors in mind when doing your wax purchase for 2011.

SIGNED – AT LAST

In November 2009 the grapefruit growers, through the Grapefruit Focus Group (GFG) requested CGA assistance in developing an application for a levy to fund a promotion exercise in Japan and the UK. A year after the application was made it is reported that the Minister has approved the application. This gives a level of certainty into continuing the promotions started in 2010. The levy is for two years (2010 and 2011); 2010 levies are based on 2009 volumes of total grapefruit sales and are levied at 60 cents per 15Kg carton, while 2011 will be 65 cents per 15Kg carton based on 2010 volumes. In 2010 the promotion spend was 80% allocated to Japan, and 20% in the UK. The promotion spend allocation in 2011 will be decided by the GFG.

GRAPEFRUIT PROMOTION FEEDBACK

The rain followed Jeff McNeil and I around as we visited the major grapefruit regions to give them feedback on the 2010 promotion campaigns. Jeff gave a detailed presentation on the different elements of the Japanese campaign, with growers commenting on the amount of work done in a short space of time. The other presentations covered the Japan Coordination initiative, and the UK campaign (using material prepared by RED communication). Copies are available on request – should you be interested please contact justchad@iafrica.com and a CD will be sent to you (the presentations are fairly large and not e-mail friendly).

ELECTRONIC DATA INTERCHANGE (EDI)

For a few years now CGA has been driving for the introduction of EDI – the savings in administration, time and improvement in data integrity are seen as important outcomes of the process. Nkosana Mbokane (nkosanam@ppecb.com) is the project manager; he recently sent the CGA the attached mail:

“This is just to brief you and to request your declaration of support for the Project EDiN initiative between PPECB and the industry.

As you all know we have started with the implementation of some of the standardized codes that we signed off two years or so ago, and the implementation of the more simplified addendum.

We are going to be conducting a number of workshops to address any other issues that our stakeholders and your members might have.

In the meantime I would like to request you to please be so kind as to send the message out to your members that implementation of the standardized codes is in progress and those that need more details can speak with me or address them with you (John Edmonds johne@cga.co.za).”

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