FROM THE DESK OF THE CEO (24/11)

Justin Chadwick (24 June 2011)

QUOTE OF THE WEEK *"The difference between agriculture and the roller-coaster industry is that the roller-coaster industry gets its money at the start and agriculture must try to get it in the middle of the ride."* Dirk Bandsman

MALAYSIA

DAFF have continued to try engaging with Malaysian authorities to establish the validity of published standards relating to 3P labelling requirements for products (including citrus) imported into Malaysia. No official response has been received yet but exporters seeking to avoid possible rejection of fruit are advised to visit the CGA website (www.cga.co.za) to see the requirements. The latest information suggests these requirements will take effect on 1st July 2011. Exporters will need to change their labelling for this market accordingly. CGA will engage DAFF further to determine if there is any possibility of relaxing these requirements.

MEDIA GROUP FROM THE UK TO VISIT GRAPEFRUIT REGION NEXT WEEK

RED Communications will be bringing two journalists to South Africa next week as part of the market development program in the UK. They arrive on Tuesday 28th and will visit CRI and packhouses and orchards in the Onderberg region. **On the 29th RED will give a presentation on their consumer research and on the 2011 UK campaign – all grapefruit growers are urged to attend – the meeting starts at 09h00 at CRI in Nelspruit.** Please rsvp Gloria@cga.co.za if you can attend.

WHY HURRY?

The 2011 season was described as "on a knife's edge" at the Citrus Marketing Forum (CMF) meeting on Wednesday. The 2011 estimate is down from the highs in 2010; and this is specifically the case in oranges where the initial lower estimate of navel exports has been decreased even further. The total orange estimate now stands a good 8 million cartons (12 000 tons or 12%) lower than the 2010 highs. At the same time there is no significant demand pull from the markets. Exporters are packing and shipping at a very high tempo, which could mean an early end to the season. CMF members and southern African exporters were urged to take a close look at their planned shippings for the balance of the season – the wise option is to slow down the tempo, feed the market rateably for the balance of the season, and reduce buildup of stocks in the market. Stock build up is unnecessary as there is reduced supply this year – and shipping everything early to the detriment of availability later in the season just does not make sense. CMF members were reminded that Egyptian and Moroccan oranges remained in the market for longer than normal, and this exacerbated the impact of the earlier shipments from the southern hemisphere. The wise money is on taking a full season approach to shipments and ensuring that the market is rateably supplied through to end October.

SOUTH KOREA: GRAPEFRUIT AND LEMON ACCESS

Nothing happens for years and then everything happens in a week!! After years of waiting for a response from the South Korean authorities in response to an application to extend access to that market for grapefruit and lemons (we already have access for sweet oranges), DAFF received feedback that they are ready to send a delegation to South Africa – NEXT WEEK. So DAFF (thanks Juliet et al), CGA (thanks Paul, Gloria and Faisal) and others have been frantically booking tickets, making travel and accommodation arrangements and getting funding in place for the trip. If all goes well access could be in place by 2012.

PACKED AND SHIPPED 2011

The **Valencia** Focus Group met this past week, and decided to keep their prediction unchanged – as we see the first valencia's now being packed. Heavy rains in week 24 did impact on the packing tempo's in some regions. Shipping to the **Middle East** is pretty much mirroring the 2011 figures (oranges 29%; lemons 38% and soft citrus 8%). **Grapefruit** exports in total are also similar to 2010 (northern Europe 41%; Japan 27%; Russia 12% southern Europe 7% and UK 5%) – albeit with bigger volumes. **Northern Europe** has received less oranges (2011 22%; 2010 26%) and less lemons (2011 11%; 2010 18%); which has been taken up by to a large extent by **Russia** (oranges 2011 22%; 2010 15% & lemons 2011 26%; 2010 15%). Russia has also taken a liking to southern African soft citrus (2011 18%; 2010 11%). The Russian soft citrus shippings have been largely diverted from the **UK** (2011 39%; 2010 50%). Otherwise shipping distribution has been similar to 2010 – **oranges**; UK 6%, Far East and US both 4%, **lemons**; Far East 9% and UK 7%, **soft citrus;** northern Europe 17% and Far East 7%.

To Week 24 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed	Final Shipped
SOURCE: PPECB	2009	2010	2011	2010	2011	2011	2011	2010	2010
Grapefruit	9.8 m	9.2 m	10.6 m	8.1 m	10 m	14.7m	14.7m	12.5m	12.2m
Soft Citrus	4.6 m	5.3 m	4.8 m	4.5 m	4.2 m	7.9m	7.5m	7.5m	7.1m
Lemons	4.3 m	5.8 m	5.1 m	4.7 m	4.3 m	9.8m	9.5m	9.6m	9.4m
Navels	9.8 m	11.9 m	10.5 m	8.9 m	8.1 m	19.4m	18.6 m	22.9m	22.6m
Valencia	1.5 m	1.5 m	1.6 m	-	-	42.9m	42.8m	46.5m	45.9m
	30 m	33.7 m	32.6 m	26.1 m	26.6 m	94.7m	93.1m	99m	97.2m

GROWERS LEVIES ARE USED TO FUND CGA, CRI AND CITRUS ACADEMY ACTIVITIES. ENSURING A GLOBALLY COMPETITIVE SOUTHERN AFRICAN CITRUS INDUSTRY