

FROM THE DESK OF THE CEO (27/11)

Justin Chadwick (15 July 2011)

QUOTE OF THE WEEK "A meeting is an event where minutes are taken and hours wasted" James Kirk

RUSSIA

The Citrus Exporters Forum met on Monday and together with CGA issued a cautionary note to the citrus industry with respect to the Russian market. The meeting identified the following as relevant to market conditions in Russia: Unusually timed supplies from Egypt and Morocco which resulted in a protracted north-south overlap; significant stocks of northern and southern hemisphere oranges presently in the market; growth of smaller exporters to Russia; more vessels despatched to Russia this season; subdued sales rates compounded by the normal summer holidays; earlier summer fruit competing for shelf space; stubbornly strong exchange rate; and prices under pressure.

Most of the discussion referred to oranges, and the following recommendations were made to industry;

- 🍊 Do your sums: Make sure that export returns provide a positive margin, in particular for Class 2 fruit, and look carefully at the juicing option.
- 🍊 Ship less fruit: It does not make sense to ship into an overfull market.
- 🍊 Carefully consider the source of market information that you are using: In particular check on rumours and rely on CGA/FPEF information.

🍊 Irrational responses are not recommended: Rational responses should lead to stability.

The FPEF and CGA are exploring the opportunity for a joint meeting between exporters from Southern Africa and importers in Russia to meet on the fringes of the World Food Moscow Show (13-16 September 2011) to discuss the citrus trade and share information and experiences. Opportunities for a South African stand at the show are also being investigated. If you need more information contact Sandra Baetsen (sandra@fpef.co.za) or (justchad@iafrica.com).

ETHICAL TRADE HANDBOOK

The handbook developed by Fruit South Africa (under the watchful eye of Colleen Chennels) has been posted out to all citrus growers. Please let me know if yours has not arrived (should be with you in the next week or so).

IMPORTANT DATES

As we head headlong into the final six months of the year diaries start to fill up. Please take note of the following important dates:

30 August 2011; CGA Board Meeting (Port Elizabeth); to be followed at 18h00 by the Annual General Meetings of CGA, Citrus Research Trust, CRI, Citrus Academy, River Bioscience.

7-9 September 2011; AsiaFruit Logistica, Hong Kong – if you want to book a slot in the CGA Room at the show contact gloria@cga.co.za.

7 September 2011; CGA Quality workshop on Navels and Satsuma's. The Navel and Soft Citrus Focus Groups have asked CGA to convene a meeting to discuss all aspects relevant to quality of navels and satsuma's – in order to identify best practices and plan for improved quality in 2012. Olive Grove, Stellenbosch – more detail to follow.

8 September 2011; Citrus Coordinating Meeting organized by DAFF to look back at the 2011 season and plan 2012. Olive Grove, Stellenbosch.

PACKED AND SHIPPED 2011

The Grapefruit Focus Group met this last week and increased their prediction by 600 000 cartons. The pigmented grapefruit packed figure is now 11.8 million cartons of the predicted 13.2 million; and white packed is 1.8 million of predicted 2.1 million. The shift away from white grapefruit can be seen in the last three years decline: 2009 – 2.5 million cartons; 2010 – 2 million and 2011 1.6 million year to date.

In the soft citrus category satsuma's actual packed (1.7 million cartons) falls short of the original estimate (2.2 million).

As clementines come to an end their estimate is closer to the mark (2.5 million cartons actually packed against an estimate of 2.6 million). Mandarin packing is now on the go with 1.3 million of the estimated 3.1 million already packed.

To Week 27 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	11.9 m	10.9 m	13.6 m	10.4 m	13.2 m	14.7m	15.3 m	12.5m	12.2m
Soft Citrus	5.4 m	6.1 m	5.4 m	5.3 m	5.2 m	7.9m	7.3 m	7.5m	7.1m
Lemons	5.5 m	7.3 m	7.2 m	5.9 m	5.7 m	9.8m	9.3 m	9.6m	9.4m
Navels *	14.6 m	17.9 m	15.9 m	OR	ANGES	19.4m	18.6 m	22.9m	22.6m
Valencia*	5.6 m	6.4 m	6 m	17.7 m	17.5 m	42.9m	42.9 m	46.5m	45.9m
	43 m	48.6 m	48 m	39.3 m	41.6 m	94.7m	93.4 m	99m	97.2m

* Please note 2011 shipped figures for oranges are for ALL oranges – PPECB unable to supply reliable shipped figures.

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ENSURING A GLOBALLY COMPETITIVE SOUTHERN AFRICAN CITRUS INDUSTRY**