Citrus Growers' Association
OF SOUTHERN AFRICA
Grower levies working for you!

# *FROM THE DESK OF THE CEO (39/11)*

*Justin Chadwick (7 October 2011)*

*QUOTE OF THE WEEK "**You will make more friends in a week by getting yourself interested in other people than you can in a year by trying to get other people interested in you."** Arnold Bennett*

## FRUIT SOUTH AFRICA (FSA) ETHICAL TRADE PROGRAM LAUNCH

The fruit industries commitment to promoting sound labour practices on fruit farms took a step forward with the launch of the FSA Ethical Trade Program this week. A long road has been travelled in getting to this point, and I am sure that the weary travelers were proud with what has been achieved. Although many have been involved, I would like to single out Colleen Chennells and thank her for tirelessly driving this program forward. The program's goals are to * create a single standard and single program that is robust, credible and aligned to international and local standards; * lead to convergence and non duplication in audits etc. * be development led in terms of supporting continuous improvement of labour conditions on fruit farms; * manage risks linked to ethical trade matters and give stakeholders confidence in their supply base; * engage with all stakeholders; * communicate with all stakeholders.

Mike Wilson gave an excellent presentation on the Code of Conduct and Standard that has been developed by FSA (still in draft form awaiting final sign off) – the Code of Conduct guides growers in understanding what the standard aims to achieve, with the standard itself spelling out what is required. But what sets the Standard apart is that it does not only stipulate the "what" needs to be achieved, but also covers the "why" and "how". As soon as this document has been approved it will be made available to growers.

The launch was attended by both local and international retailers, as well as a video link through to retailers in London. Their response to the program is overwhelmingly positive, and underlines the importance of engagement from the outset of the program. The London delegation also presented a clear picture of the Global Social Compliance Program (GSCP) – which is being used as the basis for the FSA standard. Aligning with GSCP will go a long way to achieving the goal of a single ethical audit – preventing what many refer to as "audit fatigue" (or the new label "audit tourism").

There are many challenges ahead as FSA pursue their goal of continuously improving labour practices on fruit farms – most significantly being the need to ensure that all stakeholders are engaged in the process. Past attempts to get everybody involved have been frustrated by differing agendas and the lack of constructive engagement. This will not deter FSA from pursuing this goal – the invitation to ALL who want to be constructively engaged in the process is always there; BUT we will not pander to sensationalism or cheap politicking.

## RUSSIA

| | 2nd Quarter 2010 | 2nd Quarter 2011 | Difference 2011 vs. 2010 |
|---|---|---|---|
| **Egypt** | 30312 | 111865 | 269% |
| **Mexico** | 57 | 195 | 242% |
| **Pakistan** | 3512 | 11544 | 229% |
| **Greece** | 187 | 575 | 207% |
| **Zimbabwe** | 286 | 383 | 34% |
| **Spain** | 22966 | 29153 | 27% |
| **South Africa** | 36514 | 45284 | 24% |
| **Israel** | 5657 | 6935 | 23% |
| **Uruguay** | 2282 | 2712 | 19% |
| **Argentina** | 43141 | 45198 | 5% |
| **Turkey** | 20306 | 19777 | -3% |
| **Morocco** | 38213 | 29545 | -23% |
| **Swaziland** | 513 | 365 | -29% |
| **TOTAL** | **216756** | **315220** | **45%** |

The official release of second quarter imports of citrus into Russia confirms the reason for difficult market conditions experienced during that period – too much fruit.
In total citrus imports rose by 45%, with the most significant increase coming from Egypt, a whopping 80 000 tons more than 2010 (an increase of more than 260%). South Africa's increased exports to Russia in the period (24%) are fairly modest in comparison.
With the Egyptian volumes all being oranges, it is not surprising that the orange market came under pressure from the start of the South African season.
South African delegates at World Food Moscow stressed the importance of getting good information as early as possible in the season, and particularly stock figures. This is particularly difficult in markets with multiple supply chains and fragmented warehousing, with the added complexity of fruit being trucked in from Western Europe when conditions or importers dictate.
It is anticipated that in the final analysis there will be losses experienced in the Russian market.

## PACKED AND SHIPPED

| To Week 39<br>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 | 14 m | 12.5 m | 16.2 m | 12.2 m | 16.2 m | 14.7m | 16.2 m | 12.5m | 12.2m |
| Soft Citrus | 6.8 m | 7.5 m | 6.9 m | 7.1 m | 6.9 m | 7.9m | 7.3 m | 7.5m | 7.1m |
| Lemons | 8.5 m | 9.6 m | 10.6 m | 8.3 m | 10.1 m | 9.8m | 10.6 m | 9.6m | 9.4m |
| Navels | 19.4 m | 22.9 m | 20.7 m | 66.2 m | 60.1 m | 19.4m | 20.7 m | 22.9m | 22.6m |
| Valencia | 37.2 m | 44.7 m | 39.6 m | | | 42.9m | 41.1 m | 46.5m | 45.9m |
| | 85.9 m | 97.2 m | 94 m | 93.8 m | 93.3 m | 94.7m | 95.9 m | 99m | 97.2m |

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