FROM THE DESK OF THE CEO (43/12)

Justin Chadwick (2 November 2012)

QUOTE OF THE WEEK "Hurricane Sandy gives American Airlines a great excuse for running as late as they normally do" Anon

CONGRATULATIONS TO THE STORMERS – CURRIE CUP CHAMPIONS 2012

HUGE INTEREST IN THE ASIA PACIFIC REGION

I managed to catch the last SAA flight out of New York before Hurricane Sandy shut down much of the US North East coast, causing an estimated US$15 billion insured losses (that is about R130 billion). This meant that I was able to attend the market access workshop on Wednesday – a meeting that I really wanted to attend. The objective of the meeting was to get together those who operate in the global markets in order to help direct the CGA's market access endeavours. With limited resources and multiple markets to choose from, it is important that the right markets are targeted. The workshop was divided into six sessions, with an export agent leading each session. The six sessions covered each of the trading regions – Riel Malan lead the session on Russia and Eastern Europe, Flippie Viljoen on Asia, Christo Botha on Middle East, Marius Minnaar covered Europe and Stiaan Engelbrecht covered north America. The African market session was a general discussion, with such a small volume presently being exported into the region there were no takers to lead this session. A brief introductory presentation illustrated the present position with regard to exports from South Africa, and exports from all southern hemisphere sources. This was followed by discussions on which countries in the regions had the most potential for increased citrus trade; ending with a list of issues that hampered increased trade. In some countries the issue was gaining market access, others the retention of the market, while in some cases optimisation of the market access was the key.

Of the over one hundred who attended more than 55% were export agents – this was most pleasing as it is this sector that had the most to contribute. The balance of the delegates were growers and grower/exporters (14%); Packhouse representatives (10%); support staff such as CGA, CRI and FPEF (10%); government (4%) and the balance made up from consultants, cold stores, Transnet, freight forwarders and carton manufacturers. This was a good mix of expertise and meant that most market access issues were identified and discussed.

At the end of the workshop delegates were invited to identify markets that were their top two in terms of potential for growth in citrus exports. The Indian market was ranked first, followed closely by Indonesia, China and Philippines. Then there were four markets with the same ranking – South Korea, Vietnam, Thailand and Japan. All these markets are in the Asian region – the only markets that were identified outside Asia (and all scoring less than Asian markets) were Russia, Canada, USA and Africa. In all of these markets an issue list has been generated; CGA will now work with other roleplayers in addressing these issues in the prioritised order.

CGA would like to thank all those who attended the workshop and the discussion leaders for their clear insights into the markets, and would welcome any additional comments or inputs as we tackle the different issues.

REMINDER – REGISTRATIONS

Due date for special export market registrations is **5 NOVEMBER 2012** - details on www.cga.co.za

CITRUS MARKETING FORUM

As is customary at the last CMF of the year the meeting considered the (almost) final packed figures in comparison to the initial estimates. The goal of estimates being within 10% of the final packed figures was achieved in all cases but for grapefruit (the final packed figure was 16% less than estimate due to the prevalence of smaller fruit). In fact – soft citrus was spot on with their estimate, while Valencia oranges was only 2% over the estimate – this is really good considering the packed figure of over 43 million cartons. Lemons packed was 4.5 % less than what had been estimated; and navels were 3% over the estimate.

OVERALL THE FINAL PACKED VOLUME WAS 1.2% LESS THAN THE ORIGINAL ESTIMATE – THAT'S SOME GOOD ESTIMATING!!!!!!!

Martina Odendaal from Patensie won the "closest to the bull award" with her soft citrus estimate missing the target by just 2%. Joint second were Peter Nicholson (Limpopo River Valencia) and Hannes Joubert (Sundays River lemons), missing the mark by 3%. Rounding out the top five were Fanie Meyer (Hoedspruit Valencia) at 4% out, and Barend Vorster (Letsitele Valencia) at just 4.5% under estimate.

PACKED AND SHIPPED

There are concerns regarding the reliability of shipped data and therefore have been excluded.

To Week 44 Million 15 Kg Cartons	Packed	Packed	Packed	Original Estimate	Latest Prediction
SOURCE: PPECB	2010	2011	2012	2012	2012
Grapefruit	12.5 m	14.5 m	12.8 m*	15.2 m	12.8 m
Soft Citrus	7.5 m	6.9 m	7.6 m	7.6 m	7.6 m
Lemons	9.6 m	10.7 m	10.6 m**	11.1 m	10.6 m
Navels	22.9 m	20.7 m	23.6 m	22.9 m	23.6 m
Valencia	46.6 m	41.4 m	47.1 m***	46.1 m	47.1 m
	99 m	93.9 m	101.7 m	102.9 m	101.7 m

'* RSA 12.1 m; Swazi 0.6 m; Zim/Moz 0.1 m ** RSA 10.5 m; Swazi 0.1 m; *** RSA 44.2 m; Swazi 0.9 m; Zim/Moz 2 m; ****All Oranges

GROWER FUNDED ACTIVITIES OF THE CGA, CRI AND CITRUS ACADEMY ENSURE A GLOBALLY COMPETITIVE SOUTHERN AFRICAN CITRUS INDUSTRY