

FROM THE DESK OF THE CEO (29/13)

Justin Chadwick (19 July 2013)

QUOTE OF THE WEEK "There is no passion to be found playing small – in settling for a life that is less than the one you are capable of living" Nelson Mandela

CELEBRATE SOUTH AFRICA: DARYL IMPEY WEARS YELLOW JERSEY AT TOUR DE FRANCE FOR TWO DAYS; ERNIE ELS SETS OUT TO DEFEND HIS BRITISH OPEN TITLE AT MUIRFIELD AND THE BULLS AND CHEETAHS BOTH MAKE SUPER FIFTEEN SEMI FINALS

EUROPEAN UNION – SOUTH AFRICA SUMMIT

Minister Davies wore an orange shirt and orange tie when he met with Commissioner de Gucht on Wednesday this week. This was very appropriate as the citrus black spot (CBS) issue featured prominently on Minister Davies agenda. The feedback from the Commissioner was very positive – he emphasised that the EU did not want to be protectionist, and that a solution was possible. He also mentioned that it was important to reduce the risk of contamination; and that they wanted citrus in Europe all year round; and therefore would need to procure fruit from around the world. Minister Davies reiterated that both parties had agreed to work together in finding a solution – he assured the gathering that there was no imminent threat of the EU withdrawing market access for South African citrus.

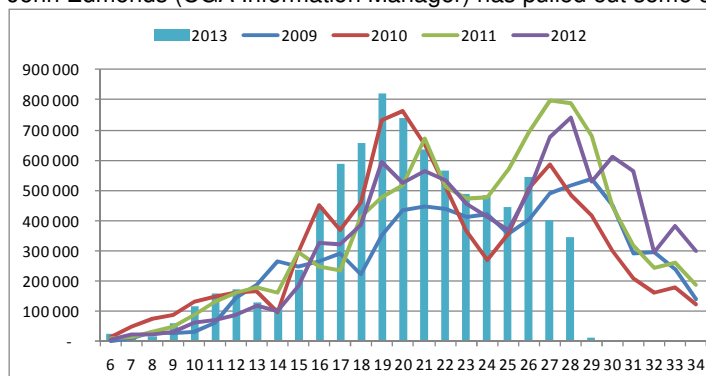
The next day President Zuma met with President Barroso – in his concluding remarks President Zuma stated "we also discussed issues pertaining to the Citrus Black Spot in the export of our fruit to Europe". During the press briefing President Barroso, in responding to a question, elaborated further on these discussions. He expressed the EU's appreciation for the marked improvement and progress in CBS controls in South Africa – confirming that to date no interceptions had occurred. He mentioned that certain requirements were being lifted, and that a more flexible regime has been proposed. He also stressed the importance of the two parties developing scientific cooperation to address the matter – the solution must be at a technical level.

Some elements of the press interpreted the EU Presidents statement as a lifting of CBS requirements to the EU. This is not the case – the regulatory measures with regard to CBS remain in force; compliance is still essential and the strong measures implemented by DAFF will continue. The CGA is following up on the statements made and official communication between the EU and South Africa to determine exactly what is implied by the Presidents statement.

As mentioned by the EU President no official notifications of non compliance for CBS have been received from the EU to date. There have been some containers held back in the EU on suspicion of CBS – these were found to be CBS free and cleared. The misidentification by plant health authorities does have financial and reputational consequences for the exporter involved – alternative fruit has to be sourced, additional port charges are incurred and shelf life is impacted. The plant health authorities bear no consequences.

PACKED AND SHIPPED

The **navel** focus group has reduced their estimate – with some in the industry predicting that it may be further reduced in the future. John Edmonds (CGA Information Manager) has pulled out some comparisons on **lemon packing**



The graph shows clearly that lemons started off with more being packed than previous years. From early in the season it was anticipated that the third pick would be less than usual – this is also clearly illustrated as from week 27 volumes packed are much lower than the previous four years. The original estimate of 11.1 million cartons was reduced due to this lower third pick – the latest prediction being 10.3 million cartons. With 8.2 million already packed and passed for export – this leaves a further 2.1 million cartons to pack (if the prediction is correct).

To Week 29 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB	2011	2012	2013	2012	2013	2013	2013	2012
Grapefruit	13.4 m	10.9 m	15 m	10.2 m	13.3 m	15 m	17.8 m	13 m
Soft Citrus	5.7 m	5.7 m	5.9 m	5.6 m	5.7 m	8.2 m	7.8 m	7.6 m
Lemons	8 m	7.1 m	8.2 m	6 m	7.7 m	11.1 m	10.3 m	10.5 m
Navels	17.1 m	18.8 m	18.7 m	16.3 m	16.6 m	24.9 m	23.1 m	24.6 m
Valencia	8.1 m	9.2 m	8 m	6.4 m	4 m	47.7 m	47.7 m	47.2 m
Total	52.3 m	51.7 m	55.8 m	44.5 m	47.3 m	106.8 m	107.5 m	103 m

SOUTHERN AFRICAN CITRUS GROWERS' OWNED COMPANIES CGA, XSIT, CRI, RIVER BIOSCIENCE, CGACC AND CITRUS ACADEMY ENSURE A COMPETITIVE AND SUSTAINABLE INDUSTRY