FROM THE DESK OF THE CEO (35/13)

Justin Chadwick (30 August 2013)

QUOTE OF THE WEEK "I take the view, and always have, that if you cannot say what you are going to say in 20 minutes you ought to go away and write a book about it" Lord Brabazon

NEW DIRECTOR GENERAL AT DEPARTMENT AGRICULTURE, FISHERIES AND FORESTRY

Earlier in August DAFF announced the appointment of Prof Edith Vries as the new Director General of DAFF, starting from 1 September 2013. The new DG comes from the Independent Development Trust where she was the Executive Head responsible for corporate strategy development and strategic planning. Professor Vries was formerly a senior official in government at the Department of Welfare (now the Department of Social Development) and has extensive experience in the public sector specialising in transformation and change management.

The CGA wishes Professor Vries well in her new position and looks forward to working with her in the future.

COMMUNICATION TO FRUIT AND WINE INDUSTRY MEMBERS

WIETA and SIZA have reached an agreement with regards to the mutual recognition of ethical audits which will allow for a producer, packer or winery to have a single audit that will be recognised by all retailers and remove the potential for duplication of audits. Producers, packers and wineries can contact Paul Hardman (ph@cga.co.za) or SIZA – Colleen Chennells – chennell@iafrica.com – for more information.

INDONESIA

The impact of the Indonesian regulations with regard to the import of fruit is very evident in Jakarta supermarkets – imported fruit is hard to find and extremely expensive. In the citrus category even local fruit was expensive – and the quality was dismal. Although the intent of the government is understandable and no different from other countries wish to ensure the import of safe food for the consumer and environment; the manner in which it has been imposed has caused widespread concern. Disallowing most imported fruit (except from those countries with a mutual recognition agreement) from using the port in Jakarta is one reason for the escalating prices. Transport costs alone add US$ 2 000 per container in getting fruit through the port of Surabaya to Jakarta, sometimes adding three days to the delivery schedule. Although congestion in Jakarta is listed as the reason for this ruling, locals state that congestion and delays is far worse in Surabaya.

A delegation from Fruit South Africa is presently visiting South East Asia, and the first call was Indonesia. Home to over 250 million people this country of 17 000 islands presents an attractive but difficult market for South African fruit. South Africa is fairly far down the path of the process for mutual country recognition, and the DAFF representative on the delegation was able to hand across to the Indonesian authorities a comprehensive data package required as part of this process. An invitation to Indonesian authorities to visit South Africa will follow.

Knowledge of South African fruit is limited – but those importers who have dealt with our fruit are as one in their desire to import more. They speak about good quality fruit at acceptable prices – the only impediment being resolution of the country recognition process. If South Africa is serious about increasing opportunities in the market then market development is required – this should predominantly target Jakarta as 70% of imported fruit is consumed in this city of 10 million +.

Once again South Africa is well served by the diplomats serving abroad with Ambassador Lehoko briefing the delegation on Indonesian culture, politics and economy, while Political Councillor Phahlane accompanied the delegation to all meetings; he and Willem Geerlings organised a comprehensive program allowing the delegation to meet with Indonesian Department of Agriculture, importers and commercial representatives.

There is no substitute for personal contact, and this is even more true in the East where relationships and friendship go a long way to resolving challenges.

PACKED AND SHIPPED

To Week 35 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	14.2m	11.8m	17.2m	11.6m	15.2m	15m	18.1m	13m
Soft Citrus	6.8m	7.1m	7.6m	6.9m	7.3m	8.2m	8.1m	7.6m
Lemons	10.1m	9.8m	10.1m	9.4m	9.9m	11.1m	10.1m	10.5m
Navels	20.9m	24.3m	25m	23.8m	24.9m	24.9m	25m	24.6m
Valencia	23.2m	25.8m	29m	21.3m	19.8m	47.7m	45.9m	47.2m
Total	75.2m	78.8m	88.9m	73m	77.1m	106.9m	107.2m	102.9m

*includes estimated packed data from Zimbabwe and Swaziland – 1 million cartons grapefruit, 2 million cartons Valencia.

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