FROM THE DESK OF THE CEO (36/13)

Justin Chadwick (6 September 2013)

QUOTE OF THE WEEK "The strength of the team is each individual member. The strength of each member is the team" Coach Phil Jackson of Chicago Bulls.

VIETNAM

Hanoi is a very different city from the one that I visited in November 2006 – rising above the original, old city is "new Hanoi" with modern multi story buildings; and many multinationals have moved to this new Asian success story. Another change is that Vietnam introduced new phytosanitary requirements in 2007 – all imported fruit had to go through a pest risk assessment. Fruit that was already being received in Vietnam was prioritized; as a result apples, pear and table grape imports from South Africa continued as Vietnam received the data packages for these products. Oranges from South Africa had also been imported prior to 2007and hence a data package for oranges had been required – South Africa had sent in a "citrus" data package. Orange imports from South Africa were halted in July 2013 as Vietnam waited for the "orange" data package. Fortunately the delegation visiting Vietnam (including CGA representatives and DAFF officials) were able to hand across the data package when they met with the Vietnam Plant Protection Department (PPD) in Hanoi. The PPD assured the delegation that the data package would be considered, and that should additional information be required this would be requested without delay. In addition they suggested that South Africa also submit data packages for the other citrus types (grapefruit, lemons and soft citrus) immediately. They commented that since the information would be very similar to the orange data package, the processing of these data packages should be fairly quick.

Countries with Vietnamese access for citrus products include (according to the official list as at end August 2013); Argentina – grapefruit, lemons, oranges and soft citrus; Peru – orange and sour lime; Thailand – pommelo and orange; Australia – grapefruit, orange, lime, lemon and mandarin.

What has not changed since 2006 is the energy and vibrancy of the city – with a very young population EVERYBODY is working (unemployment is 2%). The importers that we met with were similarly dynamic and energetic; they confirmed that there is a market for good quality citrus (more specifically navel oranges) – and that consumers were prepared to pay well for the desired quality fruit. Indeed the price at the supermarkets (many more of which have sprung up since the last visit) confirmed that imported fruit can do well in Vietnam.

In 2006 the import tariff for citrus was 40% - since then Vietnam has joined the WTO and tariffs have now reduced to 22%. VAT was 10% and it is now 5%. For table grapes, apples and pears import tariffs are a more manageable 10%.

A five minute walk outside the air conditioned confines of the hotel leaves one bathed in sweat (even for a Durbs boy!!). It is incredibly humid – and this must be taken into account when exporting to Vietnam. The packaging takes a hammering in this market – moving from cold containers into the humid conditions causes the fruit to "sweat". Collapsed and misshapen cartons were a common sight at the markets and in warehouses (although not confined to South African cartons).

There is definitely a need to raise awareness of South African fruit in Vietnam. Although those familiar with South African produce are firm fans – they commented that not enough is done to promote the excellent qualities of South African fruit; including the track record for consistent quality, food safety and reasonable pricing.

Mr Adriaan du Pisanie, First Secretary Political and Mr To Quang Hung, Trade and Tourism Officer at the South African Embassy in Hanoi arranged a comprehensive and well structured program, and accompanied the delegation to all appointments; giving the delegation a comprehensive briefing on Vietnam. The Delegation also met with Ambassador Kgomotso Ruth Magau – and was fortunate enough to attend her "birthday braai" on Saturday 31 August (imagine braaing in the middle of Hanoi!!!).

CGA AGM AND BOARD MEETING

All growers should have received the notice of the Annual General Meeting of the Citrus Growers Association of Southern Africa which will be held at the **Beach Hotel, Summerstrand, Port Elizabeth on 10th September 2013 at 18h00;** and the CGA's Annual Report. In addition, the Annual Financial Statements of CGA are available on www.cga.co.za (members section). If any grower would like an electronic copy please mail jutschad@iafrica.com . The CGA Board meeting will also be held in PE on the 10 September 2013.

PACKED AND SHIPPED

*includes estimated packed data from Zimbabwe and Swaziland – 1 million cartons grapefruit, 2.2 million cartons Valencia.

To Week 36 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	14.3m	11.9m	17.4m	11.6m	15.3m	15 m	18.1 m	13 m
Soft Citrus	6.8m	7.5m	7.9m	7.2m	7.6m	8.2 m	8.1 m	7.6 m
Lemons	10.3m	10m	10.2m	9.9m	10.1m	11.1 m	10.2 m	10.5 m
Navels	21m	24.5m	25.2m	24.5m	25.2m	24.9 m	25.2 m	24.6 m
Valencia	26.4m	29.3m	33.2m	25.7m	23.2m	47.7 m	45.9 m	47.2 m
Total	78.8m	83.2m	93.9m	78.9m	81.4m	106.8 m	107.5 m	103 m