FROM THE DESK OF THE CEO (10/16)

Justin Chadwick 25 March 2016

"To improve is to change, to be perfect is to change often" Winston Churchill

SOUTHERN AFRICAN ESTIMATES FOR 2016 EXPORT SEASON

On 17 March the Citrus Marketing Forum (CMF) of Southern Africa met in Johannesburg to consider the growers' estimate for expected Southern African citrus and concluded that the industry was well positioned to meet their market requirements in 2016. A total of 111.2 million 15 kilogram equivalent cartons of citrus from Southern Africa, including Zimbabwe and Swaziland is expected to be packed and passed for export in 2016. This translates to a decrease of about six percent on last year's crop.

Whilst the drought that has gripped the country was expected by many to have a massive effect, the reality is that the real effects of the continued drought will only be seen in the 2017 export crop. Drought in the northern citrus growing areas of Limpopo province and Mpumalanga has indeed resulted in lower estimates for grapefruit and Valencia oranges, with expectations of smaller sized fruit than normal. The large Valencia orange and grapefruit producing region of Hoedspruit suffered the most with a massive hail storm adding to their drought woes. Their expected Valencia crop is down 36% from the 3.3 million cartons exported last year whilst their grapefruit crop is expected to be 42% lower. On the positive side, the dry conditions result in sweeter fruit and generally quality is expected to be excellent. Grapefruit yields in the northern regions tend to be cyclical and the effects of the drought are exaggerated by this being an "off" year. However the grapefruit growers are confident they will be able to serve all the markets with the fruit available, although fruit may be half a count smaller. With oranges down seven percent, grapefruit down twenty three percent, lemons up seven percent and soft citrus up twelve percent the expectation is an overall six percent downturn in export volumes compared to last year, indicating a stable outlook and reason for growers and exporters to be cautiously optimistic.

	Valencias	Grapefruit	Navels	Lemons	Soft Citrus	Total Citrus
2014	50.9 m	15.6 m	26.0 m	13.2 m	10.0 m	115.7 m
2015	52.7 m	16.1 m	24.5 m	15.1 m	10.0 m	118.3 m
2016*	46.4 m	12.4 m	25.1 m	16.1 m	11.2 m	111.2 m

**2016 estimated: Note this summary is in millions of 15 kg equivalent cartons for comparison purposes and includes volumes from Swaziland and Zimbabwe.*

LAUNCH OF CGA GROWER DEVELOPMENT COMPANY (CGA GDC)

Amidst great excitement, high powered speeches and dancing and singing the CGA GDC was introduced to other stakeholders on Friday 18 March 2016. This is a watershed moment in the history of the South African citrus industry as established growers take the initiative to grow the industry through support to new black grower entrants in the industry. Minister Zokwana delivered the keynote address congratulating the industry on its foresight and commenting that it was pleasing to see that industry took such initiatives without having to be forced to do so by government. The minister committed his department's assistance in the activities of the new company, and recognised the citrus industry as a leader in his agriculture portfolio. Also at the event where some high ranking DAFF officials – most noticeably DDG's Elaine Alexander and Mooketsa Ramasodi. Prior to the Minister taking the stand, Dr Mono Mashaba (Chairman of the CGA GDC) welcomed all to the event. He spoke of the expectation that has been created through the formation of this company, and the importance for all to get stuck in and deliver to avoid disappointing future beneficiaries. Votes of support were delivered by Piet Smit (Vice Chairman CGA) and Hannes Hobbs (Chairman Citrus Academy, CGA Board member and member of the Grower Development Chamber). Piet assured the new company and the minister of the support from all growers for the new company, and spoke passionately about ensuring stability in the sector. Hannes used the opportunity to request the Minister and other stakeholders to assist in providing employment for Citrus Academy graduates who were finding it difficult to find employment. Lukhanyo Nkombisa (General Manager of the new company) did a sterling job introducing the Minister – highlighting his journey to the helm of agriculture in South Africa. Juliette du Preez finished off the formalities by thanking the Minister for his presence at a busy time for leaders in the country, and thanking him for his encouraging address – she highlighted his closing remarks that when speaking about the new company people should say "Well done" and not "Well said" – a call to action. She also congratulated the organising committee on putting together a memorable event – in particular thanking Sive, Jacomien and Candice for the long hours, careful preparation and attention to detail. Mention must also be made of Khaya Katoo who started proceedings with a well prepared and presented grace.

And then the party started!!! Thabo Mdluli, the excellent MC for the event, joined the fantastic band Afritude and belted out a popular Seal number, while the students, growers, guests (and even some very poor dancers) took to the floor. The party is now over, and on Saturday the Board was already deliberating on how to make it happen!!