FROM THE DESK OF THE CEO (34/16) (Follow me on Twitter justchad_cga)

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"We can't help everyone, but everyone can help someone" Ronald Reagan

MARKET AWARENESS – STIMULATING DEMAND

Most importers and consumers around the world recognize the value proposition afforded by southern African citrus – excellent quality at an affordable price. Those in marketing will tell you that you need to keep repeating your value proposition over and over again in order to remain a preferred supplier. Those in fruit marketing will tell you that personal contact is essential when dealing with perishable products. And this is the reason why a presence at trade shows is essential, and in particular the two biggest fruit and vegetable trade shows (being Fruit Logistica in Berlin and Asia Fruit Logistica in Hong Kong). Thanks to Department Trade and Industry, Fruit South Africa has maintained a presence in Berlin, while CGA, HORTGRO, SATI, SUBTROP, FPEF (Fruit South Africa partners) have kept a presence in Hong Kong (assisted by PPECB and the Western Cape Government). In Hong Kong this week the importance of this presence is underscored – the South African stand was always busy; the intensity and passion that exporters have for the fruit business was palpable.

Although the fruit industry is grateful for DTI's assistance with the Berlin show, and for supporting World Food Moscow (due to take place in a weeks' time) and Foodex in Japan, support to the industry for Asia Fruit Logistica, Fruit and Vegetable Fair (Beijing) and Fresh Produce India is lacking. The fruit industry is by far the biggest agricultural sector in terms of export earnings and job creation; industry has to fund these events while competitors (Argentina, Peru, Australia and Chile) all have significant government contributions. The CGA is in a difficult position as the levy provides limited opportunity to pay for the citrus allotment at these events. Should DTI not come to the table in the future our presence at these trade shows is under threat.

There is a lot of discussion about the predicted increases in both lemon and soft citrus in the foreseeable future. Anybody who takes a drive through citrus growing regions will know that the big numbers being forecast will in all probability be realized. These volume increases could either be an opportunity or an obstacle. If industry takes concrete steps now, using good returns presently being realized, to stimulate demand for the future, then opportunities will be realized. If nothing is done then supply will inevitably exceed demand and returns will suffer. Those who studied Economics 1 spent considerable time looking at demand and supply curves. If the supply curve moves upwards and the demand curve remains static then prices fall; however if the demand curve can also be moved upwards then prices can be maintained. There is a lot of discussions taking place amongst lemon and soft citrus growers; and the CGA Board itself deliberated the Associations role in stimulating demand. Deliberations and discussions are good – but at some stage concrete plans need to be forged. And these plans will require adequate resourcing; the right people and the right level of funding. By the **Citrus Summit** in March 2017 some definite proposals will be on the table; the Summit will provide an opportunity to finalise these plans so that opportunities can be realized.

SHAFFE MEETING

Alongside Asia Fruit Logistica the Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE) met to deliberate on common issues and receive information on trade in the Asian region. In 2015 South Africa dominated the Chinese orange market with 44% share (Australia 17%, USA 22% and Egypt 14%); as well as the Malaysian orange market, with 35% share (Australia 12%, Egypt 29% and USA 18%). The Hong Kong orange market is dominated by the USA with 31% share (South Africa 23%, Australia 18%, China 17% and Egypt 8%), as is the Japanese orange market with USA having 61% share (Australia 33% and South Africa 5%). Indian orange imports are dominated by Egypt with 62% while South Africa has 26% and USA 11%. Mandarins are the preferred citrus sector in Indonesia where China has 69% share (Pakistan 25%, Australia 4% and Argentina 2%). The Philippines also has a taste for mandarins with China once more dominating with 43% (Pakistan 17%, Argentina 12% and Australia 2%), as is the case in Singapore with China having 64% (Pakistan and Australia both 8%, Argentina 7%, Taiwan 4% and South Africa 3%). For Thailand mandarins China has 94% share (Australia 5% and South Africa 1%).

PACKED AND SHIPPED

To end Week 2/9/16 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB/AGRIHUB	**2014**	**2015**	**2016**	**2015**	**2016**	**2016**	**2016**	**2015**
Grapefruit	15.1 m	15.9 m	13.6 m	14.8 m	13 m	12.4 m	13.6 m	16.1 m
Soft Citrus	9.6 m	9.5 m	11.8 m	8.9 m	11.1 m	11.2 m	11.9 m	10 m
Lemons	12.9 m	14.4 m	14.5 m	14.1 m	14 m	16.1 m	14.6 m	15.1 m
Navels	25.4 m	24.2 m	26.1 m	23 m	25.1 m	25.1 m	26.1 m	24.5 m
Valencia	35.2 m	36.6 m	34.5 m	31.1 m	26.1 m	46.4 m	41.3 m	52.7 m
Total	98.2 m	100.6 m	100.5 m	91.9 m	89.3 m	111.2 m	107.5 m	118.4 m