

FROM THE DESK OF THE CEO (37/20)

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Justin Chadwick 11 September 2020



“Our world is not divided by race, color, gender or religion. Our world is divided into wise people and fools. And fools divide themselves by race, color, gender and religion” Nelson Mandela

SOUTH AFRICAN ECONOMY

As expected the South African economy has been badly impacted by the Corona Virus, with seasonally adjusted and annualized GDP falling by 51% in the second quarter of 2020. As the Bureau for Food and Agriculture Policy (BFAP) highlights, agriculture was the only positive contributor to GDP with an increase of 15.1% from quarter one to quarter two of 2020 and a contribution of 0.3 percentage points to the overall GDP. BFAP have broken the agricultural figure down further – and considered the disaggregated gross value of production (GPV) per industry from figures compiled by DALRRD. The GPV in each subsector for quarter two in 2020 is compared to quarter two in 2019.

GPV from animal products declined by 1% year on year – 13% decline in beef and 10% decline in pork. Poultry bucked the trend, increasing by 7%. Field crops experienced a 30% increase in GPV compared to quarter two of 2019. Maize was the biggest contributor to field crops – and experienced a 31% increase. Soya beans increased by 55%, and cotton 97%. Horticulture improved by 17% year on year – supported by a 38% year on year gain in the GPV of citrus products. Export volumes for quarter two increased by 33% for oranges, 43% for soft citrus and 44% for lemons. Some of this increase would be due to timing, in that the seasons harvest was earlier than 2019, but it is also due to an overall increase in volumes (2019 was a lower production year). Prices were also higher due to both local and international demand for Vitamin C in light of COVID-19. The full report is available on www.bfap.co.za

CONGRATULATIONS

The CGA extends our congratulations to Fhumulani Ratshitanga on the birth of her son – Mpfariseni. We wish you and your son health and happiness, and thank you for your guidance in your position as Chief Executive Officer of Fruit South Africa.

We also welcome Modipadi Setumo to Fruit South Africa – as the Industry Affairs Manager. With the early arrival of Mpfariseni, Modipadi is hitting the ground running, managing FSA affairs while Fhumulani is on maternity leave.

PACKED AND SHIPPED

Adjustments have been made to the predicted final volumes for lemons and Valencia, to bring them into line with actual packed to date. This means that the prediction is now ahead of the original March estimate, by about 2%. The predicted final volumes are now tracking within 3% of original estimate for all citrus subsectors, with the exception of grapefruit (7% below estimate).

In 2018 the long term projections showed exports of 2.2 million tonnes by 2020, with the latest projection of 2.19 million tonnes – the industry is edging towards that mark. Putting the industry on target for 2.5 million tonnes by 2024.

Million 15 Kg Cartons to end Week 36	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB/AgriHub	2018	2019	2020	2019	2020	2020	2020	2019
Grapefruit	19.7 m	16.1 m	15.4 m	14.8 m	14.3 m	16.7 m	15.6 m	16.1 m
Soft Citrus	15.7 m	17.8 m	22.7 m	16.3 m	21.4 m	23.3 m	23.6 m	18.2 m
Lemons	19 m	21.3 m	28.4 m	18.5 m	23.7 m	26.4 m	28.8 m	22.1 m
Navels	26.4 m	23.7 m	25.9 m	21.1 m	23 m	26.5 m	26 m	24.3 m
Valencia	42.8 m	39.4 m	46.7 m	30.9 m	35.9 m	50.4 m	51.9 m	46.8 m
Total	123.6 m	118.3 m	139.1 m	101.5 m	118.3 m	143.3 m	145.9 m	127.5 m

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