By: ML Brooke

17th September 2010

Weekly Logistics Report 2010 – Week 37

The charts associated with this report can be found on the following link otherwise on the CGA Logistics Website: http://www.cga.co.za/site/awdep.asp?dealer=5438&depnum=30494

Statistics are based on data reflected at the end of the previous week

1. Packed and Shipped Volume (Pallets):
   1.1. The 2010 YTD total Packed volume of pallets is currently 1,315m compared with 1,169m in 2009. LE, OR and SC types are still holding ground. Refer chart 1.1
   1.2. The 2010 YTD total Shipped volume of pallets is currently 1,158m compared with 1,047m in 2009. It is now estimated that 1,360m pallets are likely to be shipped this year compared to1,227m in 2009 and 1,350m in 2008. Refer charts 1.2.
   1.3. The 2010 Commodity Percentage Shipped vs. Packed YTD is 88.1% compared to 89.6% in 2009 . LE varieties are slight off of the 2009 percentage but overall stable. Refer chart 1.3
   1.4. The port shipped volume is showing a consistent trend so far this year, the CPT, PE and MPT ports have shown significant growth while the DBN port is likely to be only slightly up (although percentages are misleading in terms of the volume of pallets). The prediction on citrus volume routed through each port for 2010, CPT = 270k / DBN = 734k / MPT = 68k and PE = 288k. Refer chart 1.4

YTD Port Export Volume Comparison 2010 vs. Previous Seasons				
Year	**Cape Town**	**Durban**	**Maputo**	**Port Elizabeth**
2009	27.91% up	5.03% up	21.80% up	14.97% up
2008	-5.99% down	1.28% up	18.54% up	15.21% up

2. Port Stock Dwell Time, Fruit Age and Port Total Stock Volume:
   2.1. The stock holding at all of the major ports has fallen sharply this week and in some cases well below the 2009 level. Refer charts 2.1 – 2.10.

Notes:

1. Port cold stores can expect to see a decline of fruit arriving from next week. There was a high pack out of Navels from week 25 - 27 followed by a similar incline in Valencia production from week 27 – 33. From week 34 – 37 Valencia production was on par with 2009 which is why the ports suddenly experienced lower intakes. Valencia production will now start to wind down to week 40.
2. A very significant increase in container volume is evident this year, mostly from week 29. The increase is evident from all the ports with Durban showing the biggest increase of total containers packed. In terms of TEU's, DCT handles 65,000 TEUS each week in, transhipped and out compared to a mere 3,200 TEU's of citrus leaving the port each week – this is 4.6% of the volume of container handled at DCT each week. The PE port has also shown growth in container packing of which now represents 87% of exports, there are only 700 (1,400 TEU's) containers of citrus leaving PE each week followed by 500 (1,000 TEU's) through CPT.
3. The CGA contracted the services of Koos Bouwer to analyse the problems regarding the stacking of 'High Cube Pallets' at the packhouse, which are then transported and stuffed into containers at the ports. Koos Bouwer and I spent a week travelling through the Durban port and then spent some time in Hoedspruit and Letsitele to gather data and conduct interviews. A summary of the findings have been compiled in a research document which has been posted on the CGA website and can downloaded from the following link http://www.cga.co.za/pages/33227 or alternatively found on the CGA website: Logistics / Transportation Forum / High Cube Pallet Analyses. In conclusion it was found found that there is a need for better packaging, palletization and transportation practices when stacking 'High Cube Pallets' if this is to be sent to the ports to be packed.
4. The CGA has written to the respective MEC's for transport in Limpopo and Mpumalanga, the Minister of DAFF and well the acting CEO of Transnet Freight Rail. The purpose of the letters was to highlight the diabolical situation as far as the transporting of citrus from the northern region is concerned. We have requested meetings with these departments of which TFR are the first to respond and have scheduled a meeting for 20th September. Specific rail projects have been identified and now is the time to engage with these stakeholders to obtain commitment to the industry. The transport issues faced by production points up north were mostly caused by the recession and port strike issues; resulting either in the collapse of transport companies or pressure on rates where better rates were offered elsewhere. Indications are that this is likely to be a medium term problem and therefore rail projects are now seen as a priority.