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CGA Logistics Report 2011 – Week 23

The charts linked to this report can be found on the CGA Website, Logistics / Reports or downloaded from this link: http://www.cga.co.za/pages/30494

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

1. Packed and Shipped Volume (Pallets)
   - YTD packed: 8% down from 2010. GF 15% up, LE 21% down, OR 18% down and SC 13% down. Refer chart 1.1
   - YTD shipped: 3% up from 2010. GF 32% up, LE 10% down, OR 15% down and SC 6% down. Refer chart 1.2

The PPECB inspection reports suggest this ought to be the last peak pack week for Grapefruit varieties, from next week GF packing will taper off. Soft Citrus varieties will follow suite with last week indicated as the final peak packing week. The first Lemon cycle completed last week which will see Lemon packing decline until the start of the second cycle in week 26. Navel packing is still in peak production and will continue until week 26 when production begins to ease off. The early Valencia's should be arriving in port by now with the wave due in two weeks time. So in essence there should be a two week reduction in port arrivals this week and next week.

YTD commodity co-efficient[1]: 2011 up by 8.1% from 2010, all commodities are up from 2010. If one compares the current stock volume at the ports this is a good indication that citrus is flowing through the ports keeping the dwell and stock volume at low levels. Refer chart 1.3

   - YTD commodity shipped by port: The current GF volume shipped out of Durban and Maputo can be seen very clearly on this graph. Apart from this all regional commodities shipped seem to be stable YTD. Refer chart 1.4

Port Export Volume Comparison 2011				
Year	**Cape Town**	**Durban**	**Maputo**	**Port Elizabeth**
2010	-13.95%	21.40%	46.46%	-15.46%
2009	20.61%	11.04%	168.24%	45.57%

The CPT and PE port export volume is slightly behind on 2010 but exceeds the average 5 year export volume. CPT are experiencing lower Navel and Soft Citrus exports with PE experiencing lower Navel and Lemon exports with an increase in Soft Citrus exports. However the Durban and Maputo ports are both exceeding the last 5 citrus seasons export volume by a long margin. This is of account to the high Grapefruit exports thus far. So in summary the CPT and PE ports are down on 2010 but above the 5 year average with DBN and MPT well above the 5 year average for the 2011early season cycle.

2. Port Stock Dwell Time, Fruit Age & Port Stock Volume
   - Once again the stock at all 4 export ports is currently well below the capacity pressure point range. Refer chart 2.5
3. Export Market Volume
   - The citrus market spread seems normal with Russia still receiving a healthy sum of fruit this year compared to previous years. Refer charts 3.1 and 3.2.
   - There has been a decline of citrus exported to EU out of Durban with a healthy increase routed through Maputo. Fruit routed to Russia from Maputo, Durban and Port Elizabeth still way up on previous years volume sent to that market**. Railing Russia packed fruit directly to FPT Durban is still the most operative solution to increase rail utilization from Letsitele – considering the volume exported to Russia from Durban is 50% up on the 5 year average volume.** Refer chart 3.3.

<u>Notes:</u>

1. Earlier this year each citrus region elected their Logistics FG representative, it was decided to split the geographical regions into Northern Regions and Southern Regions to remain more focused on key issues. The Northern Regions representatives are as follows, Zimbabwe – Paul Bristow, Limpopo Valley – Neels Steyn, Letsitele – Jan-Louis Pretorius, Hoedspruit – Gerrie Kruger, Senwes (Groblersdal / Marble Hall) – Louis Niemann, Nelspruit – Andrew Muller, Onderberg – did not elect, Swaziland – Stuart Geldenhuys, Nkwalini – Mike Wafer and Natal Midlands – Klonkie Classen. The Southern Regions representatives are as follows, Eastern Cape Midlands – Trevor Lentz, Sundays River Valley – Andre Mouton, Patensie – Anton be Beer, Vaalharts – Danie Matthewson, Boland – did not elect, Citrusdal – Gerrit vd Merve and Orange River – Robert Johnston. The Northern Region FG will be meeting for the first time at the CMF on the 22nd June while the Southern Region FG meeting is still to be determined.

[1] Commodity Co-efficient is the difference between Packed and Shipped volume, this percentage indicates the efficiency of stock movement out the country and will also relate to stock age and storage costs.