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CGA Logistics Report 2011 – Week 27

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: 1% down from 2010. GF 22% up, LE 5% down, OR 8% down and SC 10% down. Refer chart 1.1
   - YTD shipped: 9% up from 2010. GF 26% up, LE 2% down, OR 4% up and SC is equal to 2010. Refer chart 1.2

The PPECB inspection reports confirm that GF packing declined from week 25 and should phase out to the end of week 34. Soft Citrus varieties show a slow start to export production but stabilized in peak weeks and will begin to phase out to end of week 34. The second Lemon cycle is in full production until end of week 33. Navel packing should begin to ease off from next week and taper down to week 34 . The early Valencia production was off to a good start but it may occur that heavy rain will impact production for a while due to high rain fall prohibiting picking. There could be a period where DBN, MPT and PE ports would see a decrease in citrus arrivals this week and next week due to rain.

YTD commodity co-efficient[1]: 2011 up by 7.7% from 2010, all commodities are up from 2010. This indicates that citrus is still moving fairly well through the supply chain and has been confirmed by numerous reports that dwell times are lower than previously recorded. Refer chart 1.3

   - YTD commodity shipped by port: GF volume routed through DBN and MPT is on par with the higher GF production reports. There is also evidence of an increase in Oranges types shipped through the PE ports. Refer chart 1.4

Port Export Volume Comparison 2011				
Year	**Cape Town**	**Durban**	**Maputo**	**Port Elizabeth**
2010	-3.71%	10.19%	184.56%	6.69%
2009	28.45%	10.06%	421.18%	32.36%

Volume of citrus routed through CPT is fairly consistent with the last 5 year average while there are signs of a definite upswing of citrus routed through PE, DBN and MPT this year so far . Although a large volume of citrus has been routed through Maputo there is still an increase in Grapefruit and Oranges routed through Durban.

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, this relates to the commodity coefficient which shows citrus is being routed efficiently through the ports negating stock build-up. Refer chart 2.5
3. Export Market Volume
   - The citrus market spread shows Europe, Middle East and Russia as primary receivers of citrus. There are signs that there may be a down turn in citrus routed to Russia. Refer charts 3.1 and 3.2.
   - There is still more citrus being routed out of Maputo to EU resulting in a decline being routed from Durban. Refer chart 3.3.

Notes:

1. The first rail from Letsitele has been dispatched to Durban this week which is behind on previous years.
2. There is evidence that there has been an increase in containers loaded from the Durban and Port Elizabeth ports. 9,000 Citrus containers have been routed through Durban so far this year which is 1,500 containers more than the previous 5 year average. 5,000 Citrus containers have been routed through Port Elizabeth (Incl. Coega) so far this year which is 1,000 containers more than the previous 5 year average. The shipping data suggests that there is an increase in containers routed to Europe and Middle East from Durban and Port Elizabeth with a further increase in containers routed to Far East from Port Elizabeth.
3. The Citrus Cold Chain Forum amended the palletization specification for A15C high cube pallets suggesting layers 1,2,3,5,7, and 8 be strapped. The inclusion of the additional strap on layer 5 was done so to prevent bulging in the centre of the pallet, if the additional strap is not included on layer 5 for high cube pallets then bulging is most likely to occur. Whilst conducting port visits it is evident that the additional strap on layer 5 has been omitted by most packhouses. Bulging in the centre of the pallet has two pending results 1) the exclusion of spot gluing pronounces bulging and therefore corner pieces are not withstanding the pressure and are snapping, this renders the pallet susceptible to collapse. 2) The width of containers are only wide enough to accommodate the width of two pallets abreast, bulging in the centre of the pallet results in pallets being forced into containers and damages are occurring more frequently. High volume of containers being loaded means more damages to the cartons and product are likely to occur.
4. Recommendation to load high cube pallets on flat deck trailers rather than on Tautliner trailers – assists to secure the load preventing forward collapse of cargo whilst on route to ports.

[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.