Compiled for the Citrus Logistics Forum (CLF)
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All data supplied by PPECB

Citrus Logistics Report 2013 – YTD Week 18

Makes you think: *the top 20 citrus packhouse produced 33.3% of total citrus production in 2012, 4 of which are located in the Western Cape (5.5m cartons), 8 in the Eastern Cape (16.25m cartons) and 8 in the Northern region (11.5m cartons). The top packhouse ran 3.6m cartons in 2012.*

1. Regional Field Production Volume YTD vs. 3 Year Average (Cartons):

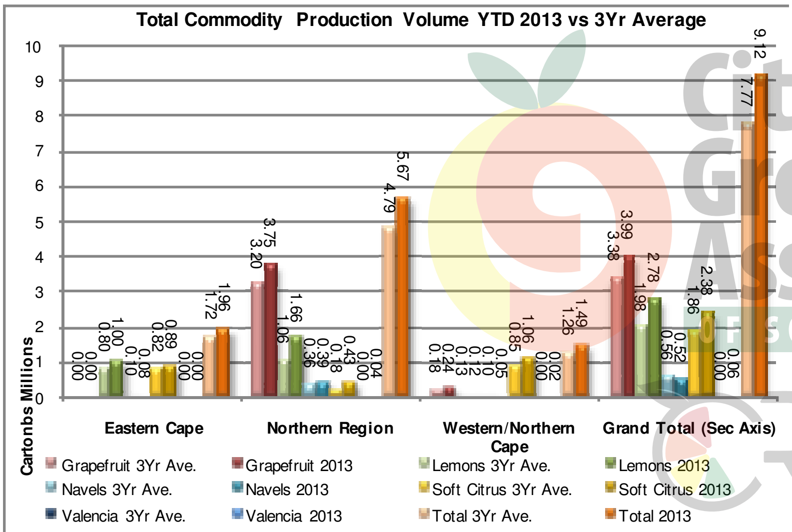
I. Supply from all the regions is showing higher production output compared to the 3 year average. Total production appears to be up by 1.5m cartons YTD. So there is a definite indication of a higher peak in the start of the season.

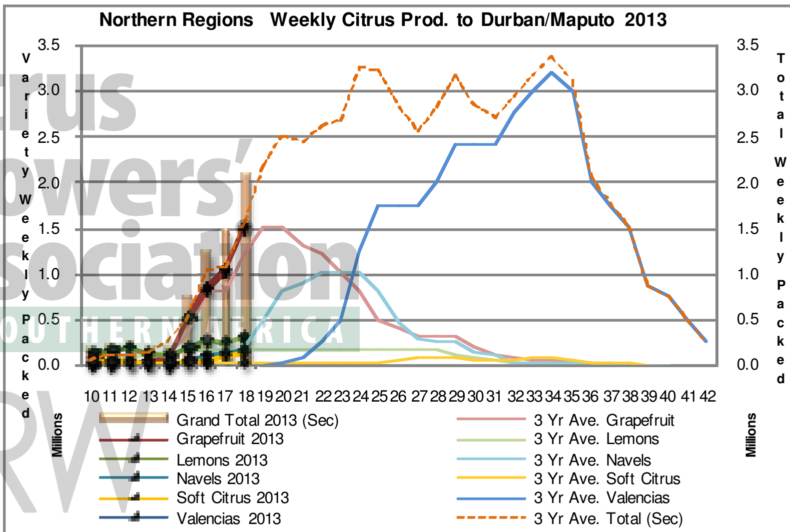
II. From the northern regions into Durban output of Grapefruit and Lemons indicates an additional 900,000 cartons being railed to the port YTD. Although insignificant, production of Soft Citrus varieties entering Durban is double the 3 year average. Caution towards monitoring of cold chain of Soft Citrus types in Durban. Production of Navels would be arriving in Durban this week with peak output coming through from next week (week 20).

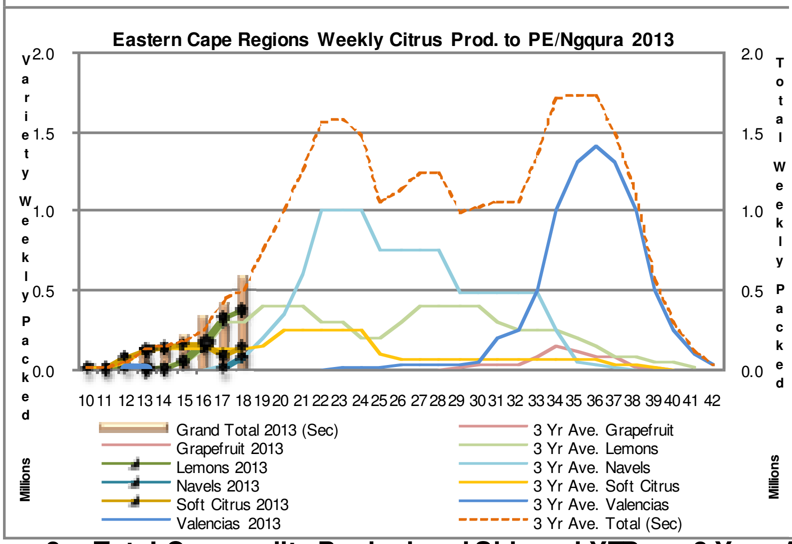
III. In the Eastern Cape region, the production output of the first Lemon cycle, Soft Citrus and Navel varieties are on par with the 3 year average.

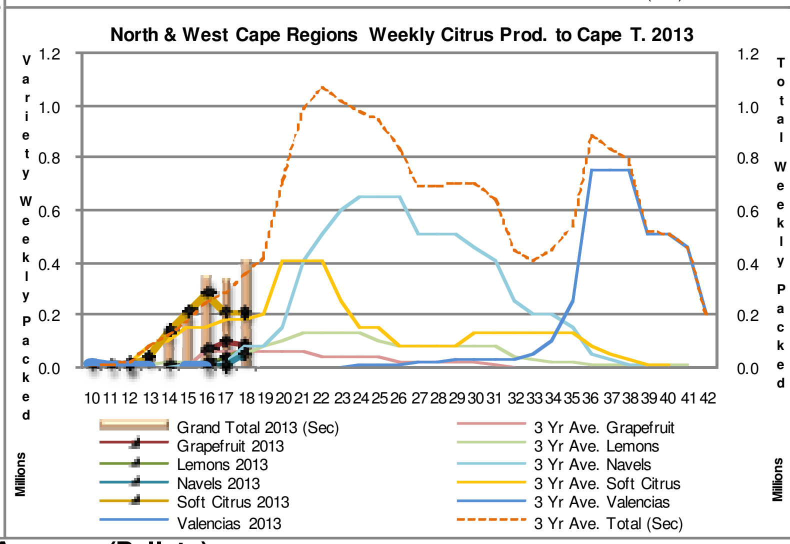
IV. In the Northern and Western Cape regions the production of Grapefruit and Soft Citrus varieties are slightly up.

V. Based on the currently output of production it would be easy to determine that citrus flows into Durban, Port Elizabeth and Ngqura ports could be higher than the average.





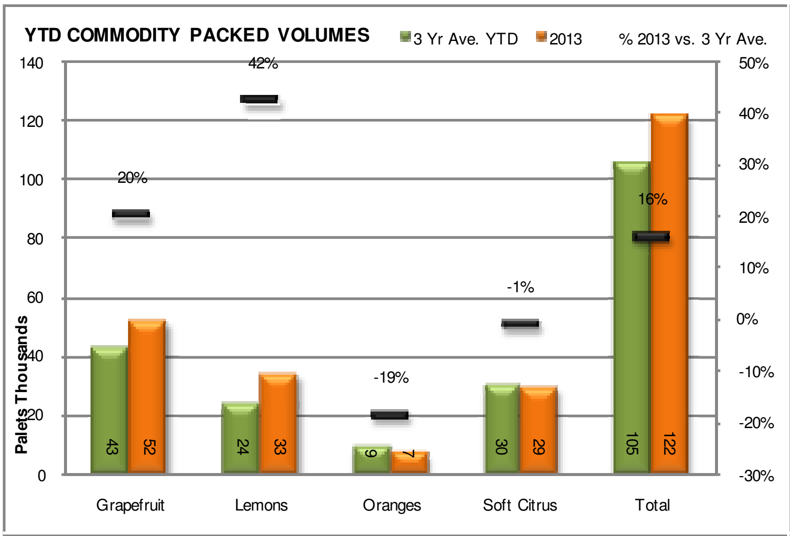


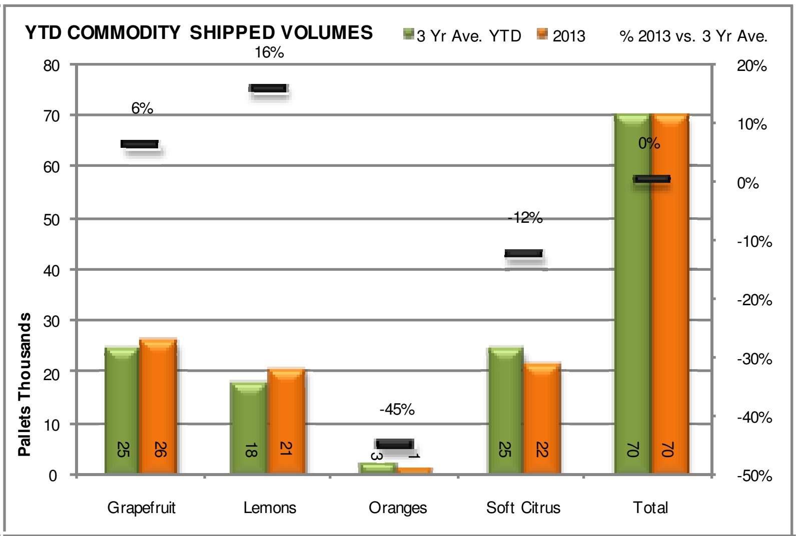


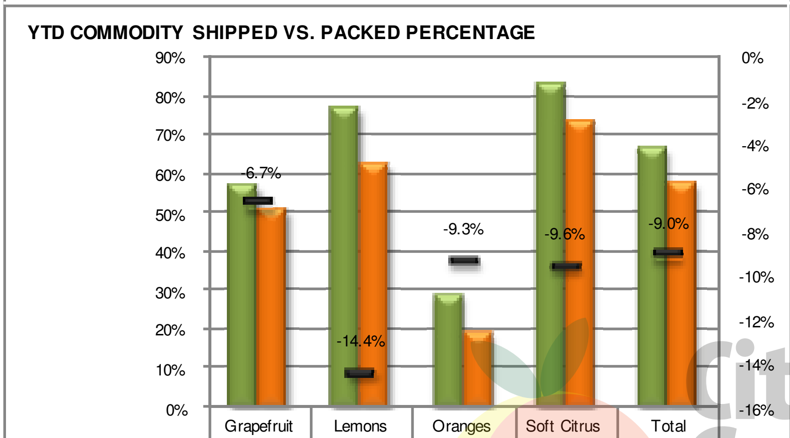
2. Total Commodity Packed and Shipped YTD vs. 3 Year Average (Pallets):

I. Production of GF up by 20%, LE up by 42%, OR down by 19% and SC on par with the 3 year average.

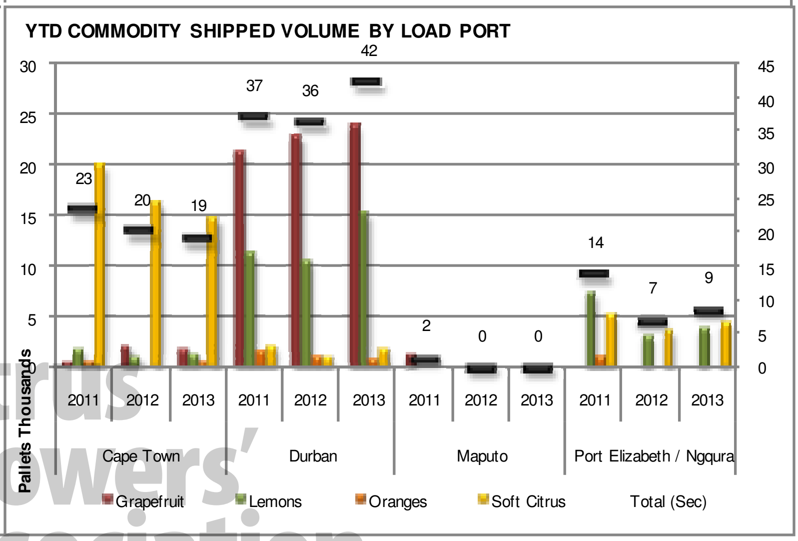
II. It appears that there is a significant lag on the shipping side which could explain the stock build-up in Durban this past week. This is very evident for GF, LE and SC varieties which shipping has not been adequate enough. In pallet terms the total pack is 122,000 pallets with only 70,000 pallets being shipped to date which equals the last 3 year average.







	Grapefruit	Lemons	Oranges	Soft Citrus	Total
3 Yr Ave. YTD	57.46%	76.77%	28.92%	82.86%	66.61%
2013	50.72%	62.37%	19.60%	73.27%	57.56%
% 2013 vs. 3 Yr Ave.	-6.7%	-14.4%	-9.3%	-9.6%	-9.0%



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CRW

3. Citrus Commodity Export Market Volume (Pallets):

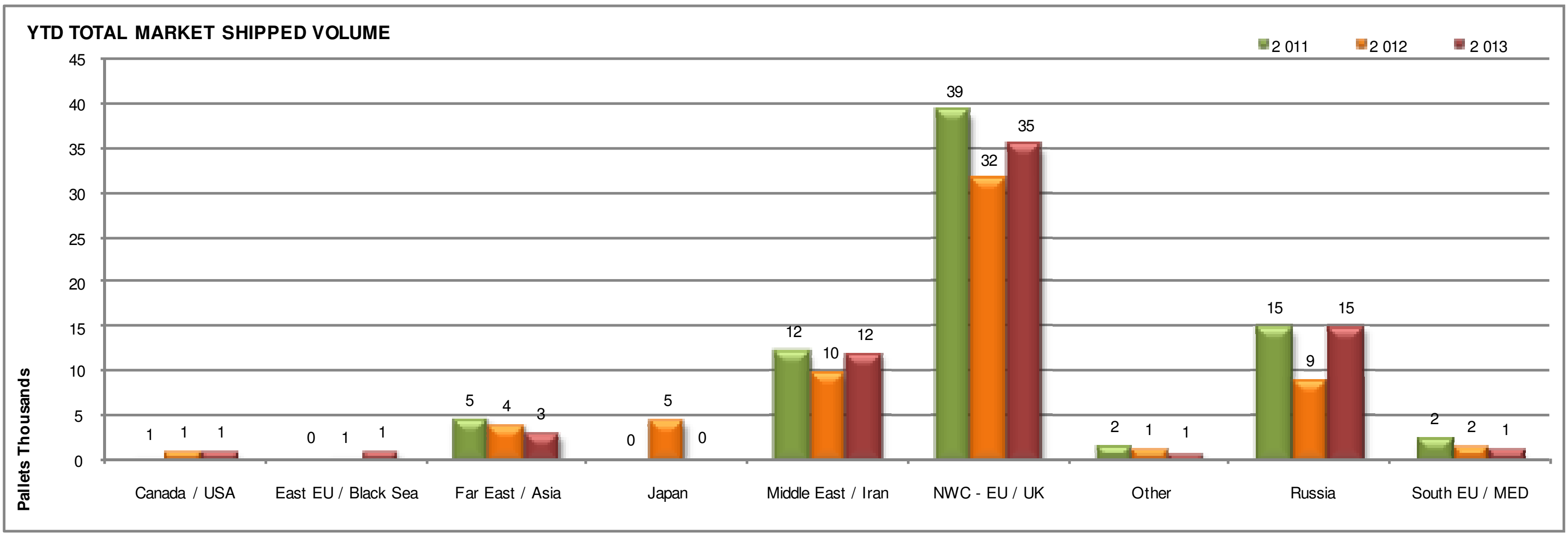
I. A downturn in early season volume to the Far East is evident, this more than likely due to the late export acceptance by Chinese Authorities prohibiting exports into China. The flows to Hong Kong seem to have fallen away this year.

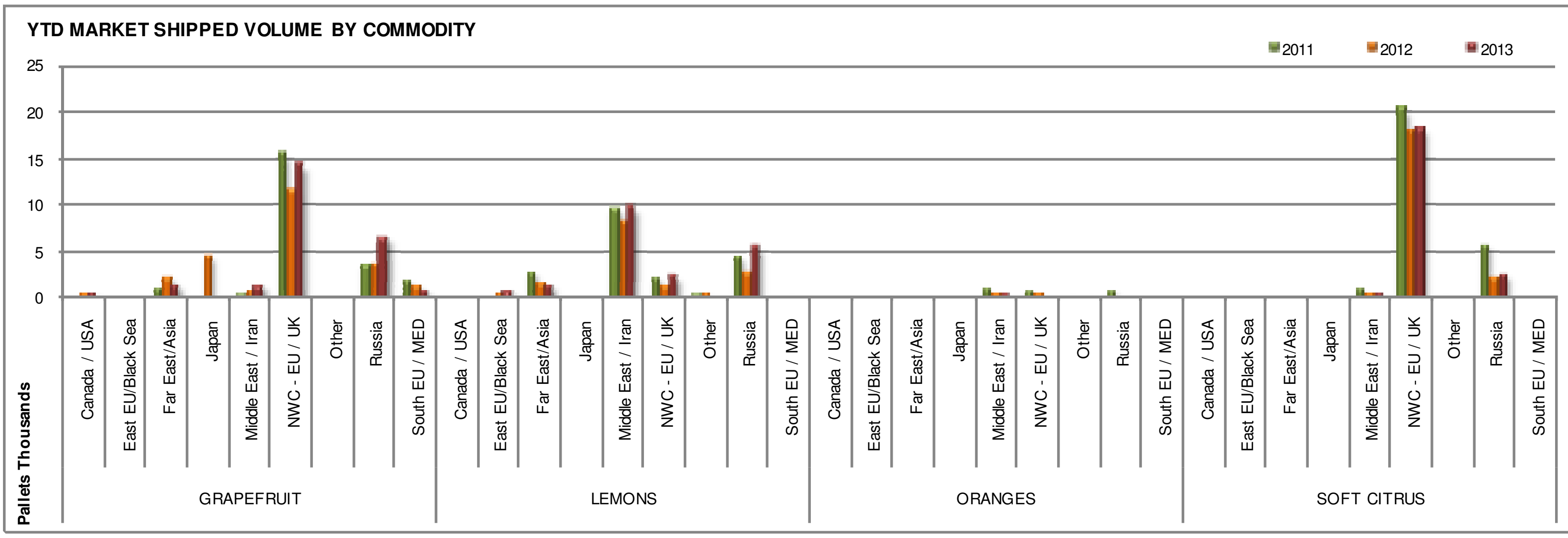
II. There has also been a drop off of early season containers of Grapefruit being sent into Japan. The first Japan vessel for 2013 is currently being loaded with the second in port following closely behind.

III. Normal flows into the Middle East, Europe and Med regions.

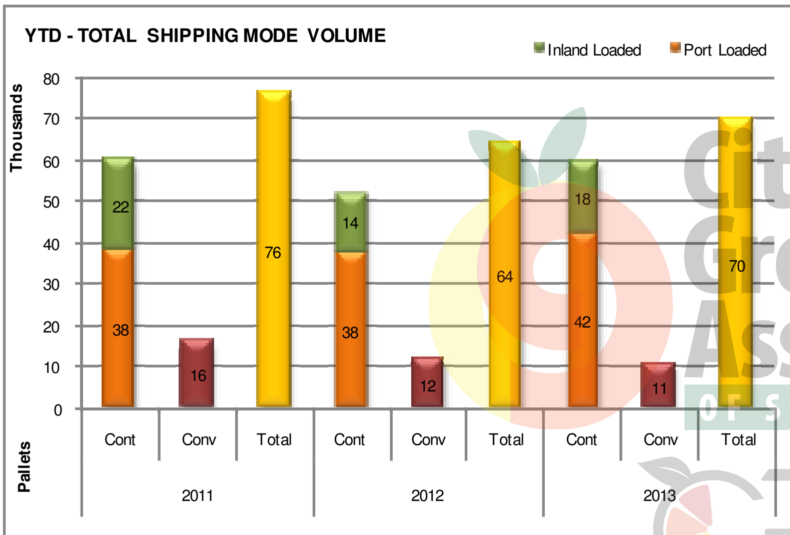
IV. Navel volumes should begin to move through the ports from this week.

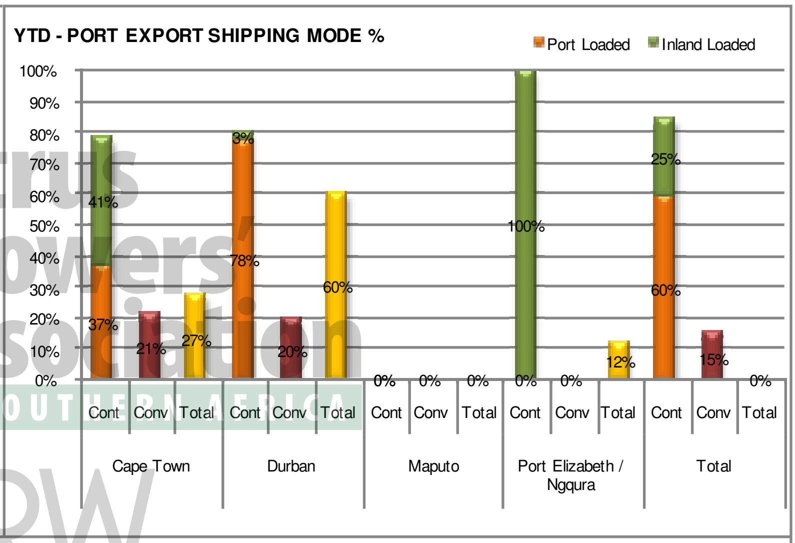
V. There is a larger volume of Grapefruit moving into Russia and similar volume of Lemons as what was sent in 2011.

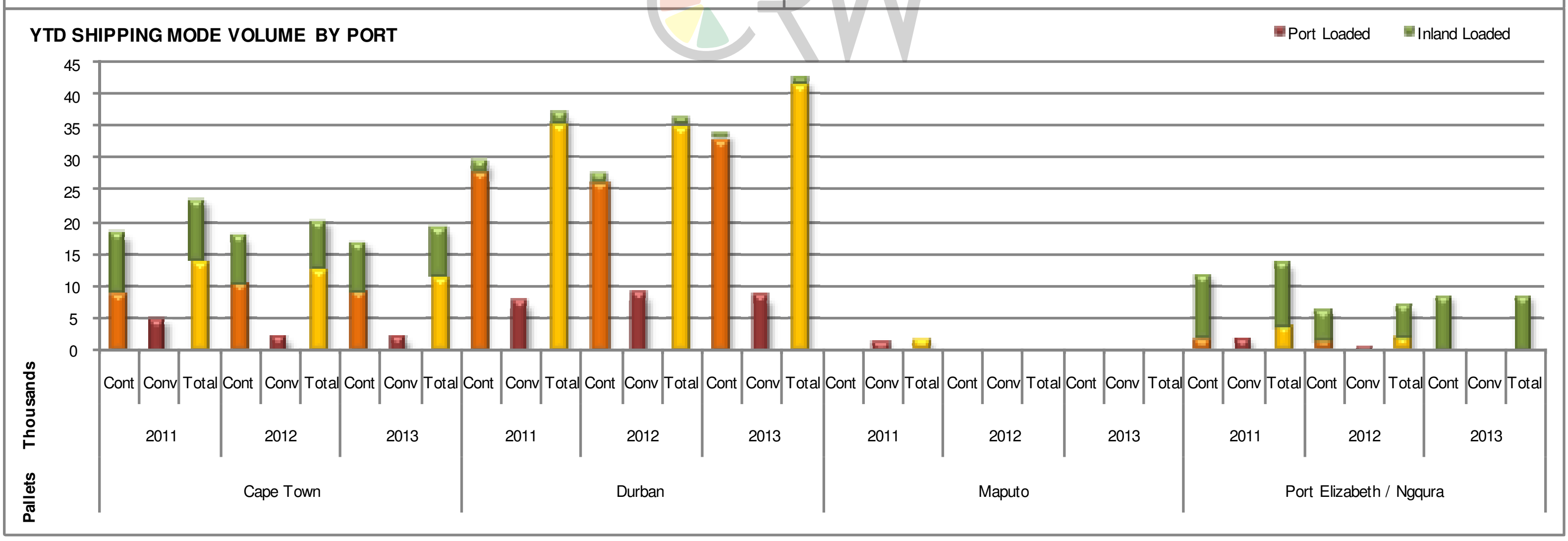




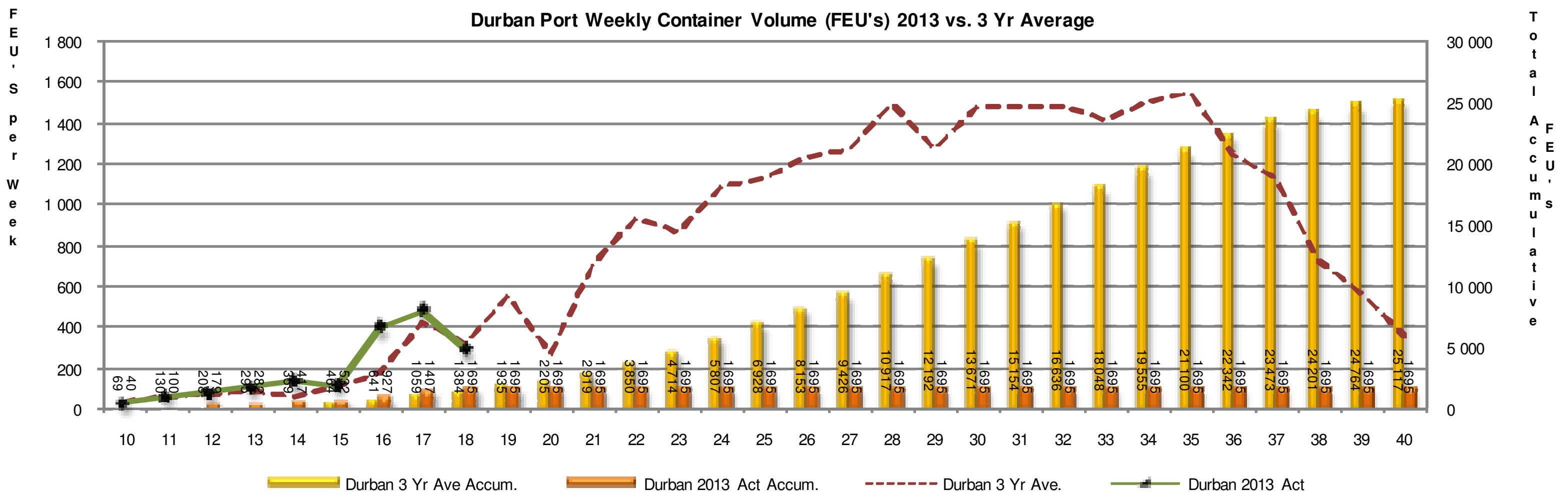
4. **Port Shipping Mode Statistics (Pallets):**
   I. It appears a normal flow of containers have exited the Cape Town, Port Elizabeth and Ngqura ports.
   II. It is evident that there has been a vast increase in containers exiting the Durban port thus far.
   III. Interestingly it appears all containers from the Eastern Cape region are being loading from inland facilities and packhouses directly.

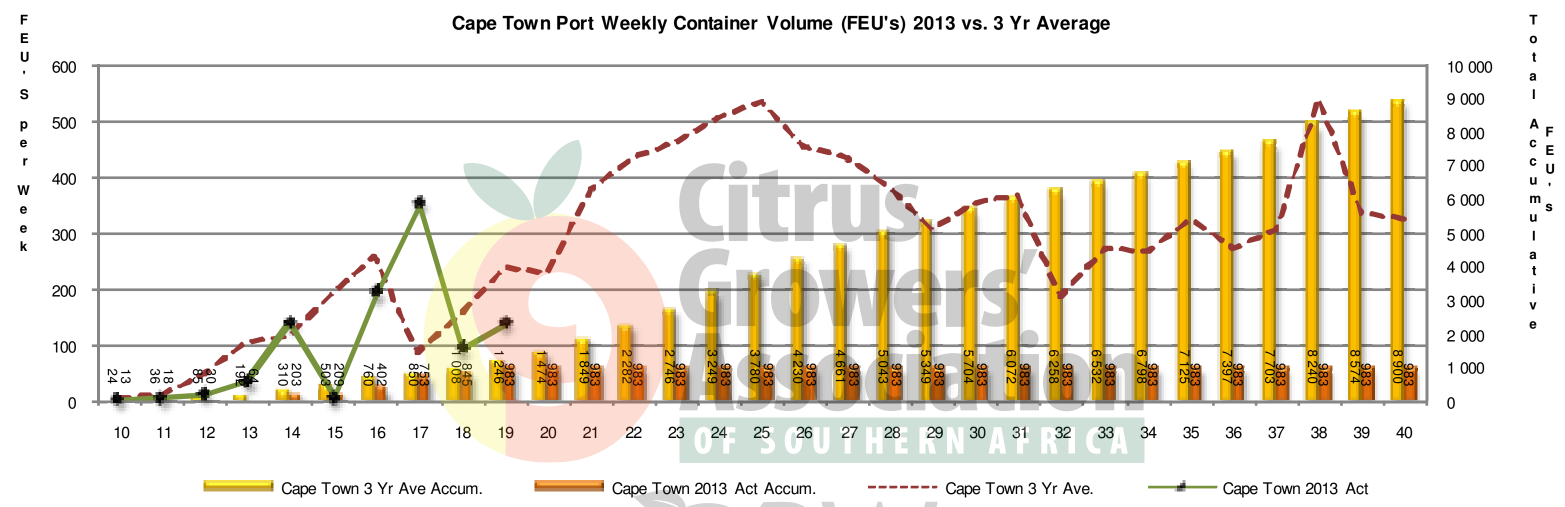


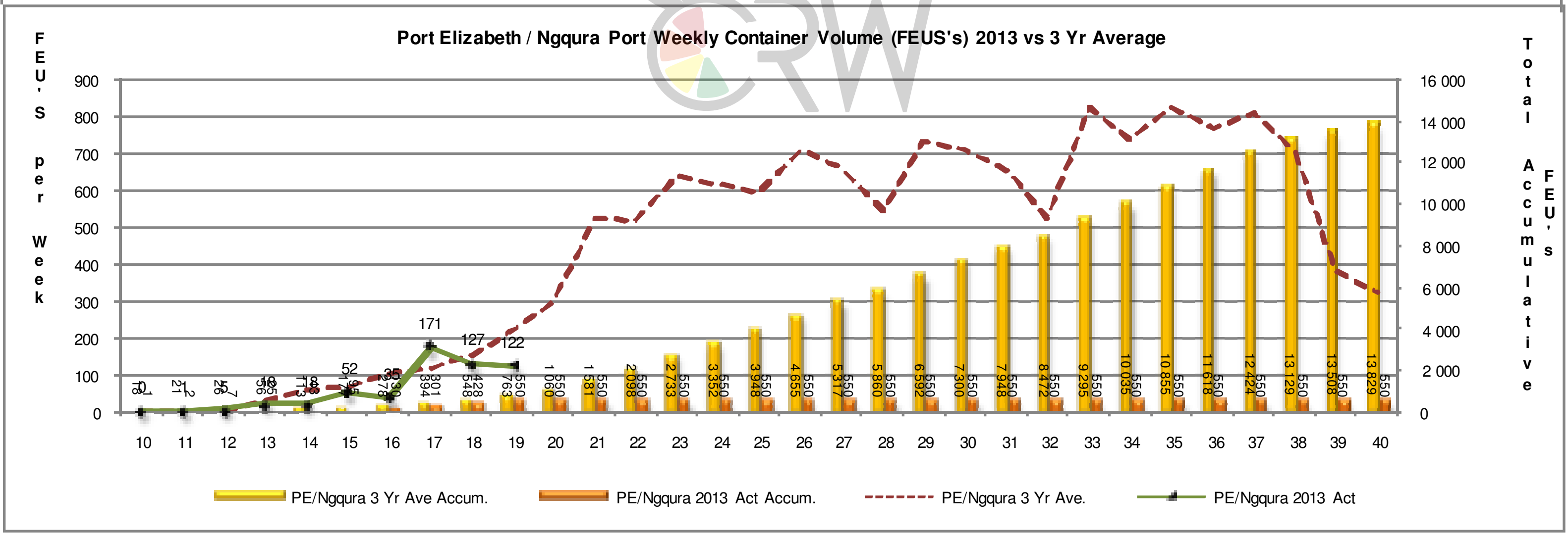




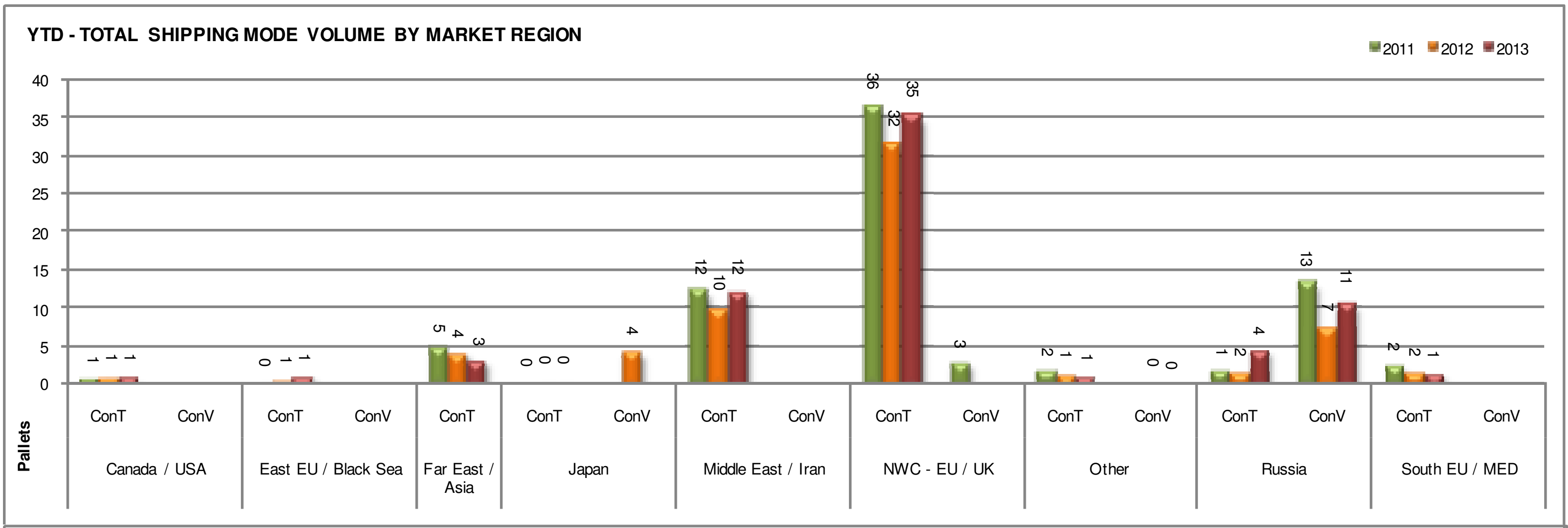
5. **Port Container Weekly Shipped Volume (Pallets):**
   I. YTD there has been 400 FEU containers that have exited the Durban port compared to the 3 year average. It is higher probable that this trend will continue this year.
   II. In PE, Ngqura and Cape Town container flow has been normal.

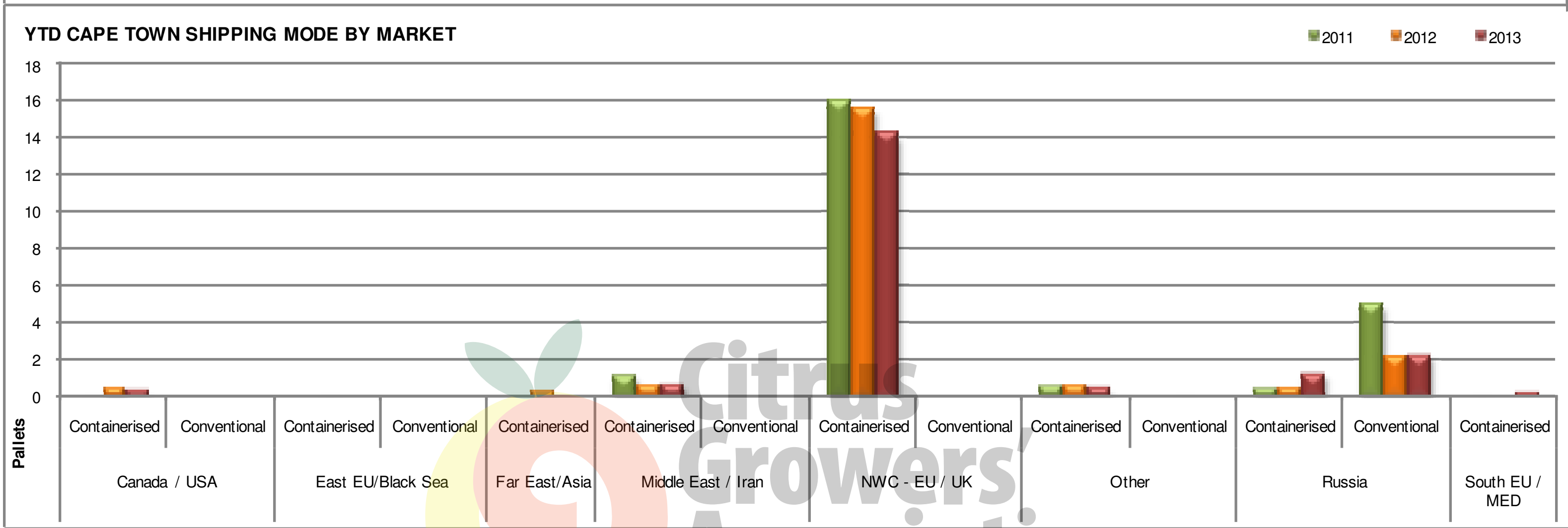


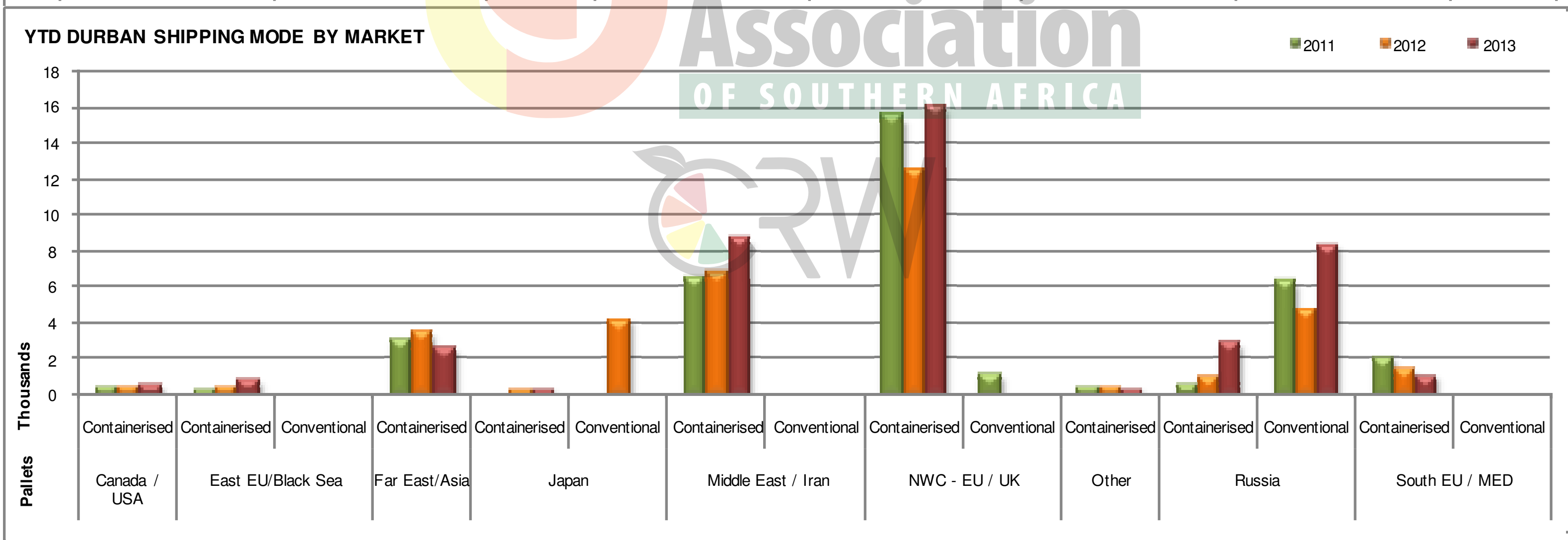


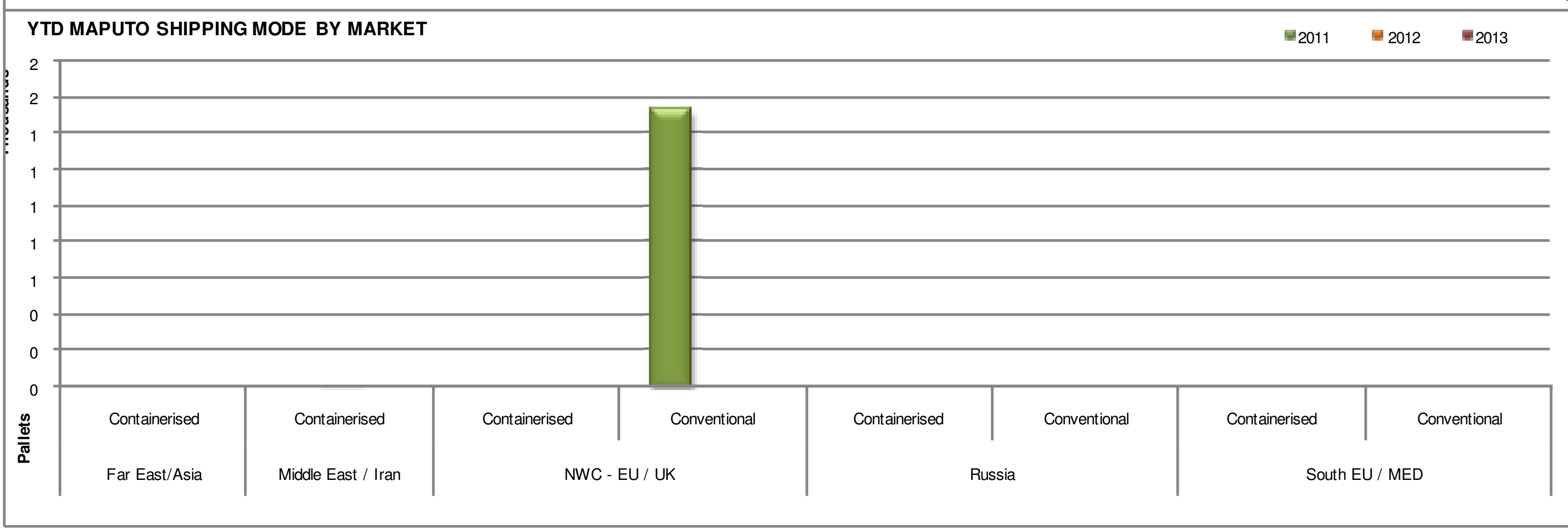


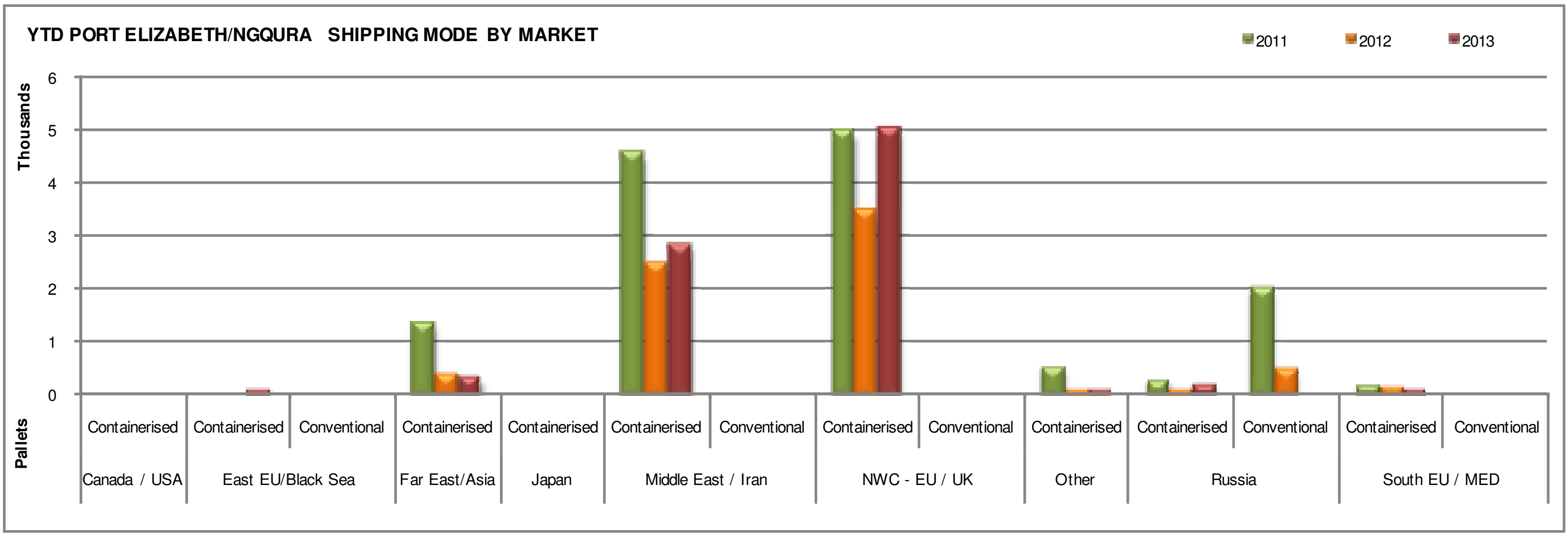
6. **<u>Shipping Mode Volume by Market and by Port (Pallets):</u>**
   I. Evidence of a decrease in container flows to Far East with a vast increase in container traffic to Russia, Eastern Europe and Black Sea regions.
   II. Increase in container traffic to Russia exiting the Cape Town and Durban ports.
   III. Higher container volume to Europe and UK evident from Durban and Port Elizabeth.


YTD - TOTAL SHIPPING MODE VOLUME BY MARKET REGION
2011
2012
2013
Pallets
ConT
ConV
Canada / USA
East EU / Black Sea
Far East / Asia
Japan
Middle East / Iran
NWC - EU / UK
Other
Russia
South EU / MED


YTD CAPE TOWN SHIPPING MODE BY MARKET
2011
2012
2013
Pallets
Containerised
Conventional
Canada / USA
East EU/Black Sea
Far East/Asia
Middle East / Iran
NWC - EU / UK
Other
Russia
South EU / MED


YTD DURBAN SHIPPING MODE BY MARKET
2011
2012
2013
Pallets
Thousands
Containerised
Conventional
Canada / USA
East EU/Black Sea
Far East/Asia
Japan
Middle East / Iran
NWC - EU / UK
Other
Russia
South EU / MED


YTD MAPUTO SHIPPING MODE BY MARKET
2011
2012
2013
Pallets
Containerised
Conventional
Far East/Asia
Middle East / Iran
NWC - EU / UK
Russia
South EU / MED



7. **Port Weekly Stock Volume and Shipping Volume (Pallets):**
   I. Port stocks will be available from the next report.

8. **General:**
   I. The delayed approval of the registered list for China (with resultant build up of stock for this market), system failure with Navis at the Durban Container Terminals (resulting in difficulty in exporting of containers), the need to inspect more fruit at port (due to the 4 day EU threshold being breached due to these factors) and the increased volumes of lemons and grapefruit to the port of Durban (so far total production from the north up by 900,000 cartons and citrus diverting away from Maputo is heading for Durban) has resulted in some delays and capacity issues this past week. The FPT terminal has requested that citrus railings not be delivered to FPT for the remainder of the week – but liaise with the terminal directly. This will relieve pressure to some extent and given that the China fruit will now be moving out, and loading of the first ship for Japan commenced on Thursday. Citrus volume diverted from Maputo this year will now be entering Durban increasing the number of trucks to be offloaded and containers to be packed. Understandably capacity will be put under pressure as a result of this. Growers need to check with their export agent and cold store to ensure that their fruit (and trucks) will not be unnecessarily delayed when arriving in the port. The 4 day EU threshold should be achieved as far as possible so as to reduce the impact and cost of unnecessary inspections at the ports cold stores.
   II. The TPT NAVIS system has caused a major upset with the packing and delivery of containers to the terminals over the past week. Durban has been at the forefront of major congestion which has spilled up to farm level as trucks carrying citrus have been delayed in Durban for a number of days. It appears things may be normalizing, subject to weather, and the congestion could be cleared over the weekend. The citrus industry can ill afford a similar fate to that of the Grape industry which was subjected to shipping delays from Cape Town earlier this year.
   III. A good volume of citrus which would typically go through Maputo on the bulk EU service will now enter Durban this season. This will increase the numbers of trucks entering Durban (additional 100 trucks), add to the already oversubscribed capacity and add further demand for Reefer containers (additional 125 FEU's pw). Given the increased production thus far which could continue for a few weeks, it would seem important that all stakeholders are adequately prepared. The SAECS lines and MSC should take stock of empty equipment to ensure that there are no bottlenecks. DCT are also encouraged to prepare adequately for a rush of Reefer containers on the Europe trades and in general. Will the ~1,142 fixed plug points be suffice given the current trends? The communication regarding the Pier 2 Reefer stack capacity is working well to inform those who have been added to the DCT communication database (At noon today roughly 48% occupancy). It would be advantageous to receive the same communication from Pier 1 since the most important SAECS service has now been positioned to load from Pier 1.