



FROM THE DESK OF THE CEO (01/09)

Justin Chadwick (9 January 2009)

Citrus Growers Association (CGA)

QUOTE OF THE DAY: "All I can do is be me, whoever that is" Bob Dylan

CELEBRATE SUCCESS; WINNING A TEST SERIES AGAINST AUSTRALIA IN THEIR BACK YARD – WHAT A START TO 2009!

BACK TO WORK

After 3 weeks doing absolutely nothing coming back to the reality of a working world is a bit of a shock – but with renewed energy I downloaded e-mails on Monday morning – **291 messages in my in box**. What was most rewarding about these e-mails was that during my holiday I had amassed huge wealth – 12 of the mails offered me huge reward for just giving them my bank details so that they could deposit large amounts into my account – they being various international lotteries, widows of various corrupt African leaders and the like. A rough calculation showed my wealth to have grown by \$52 million, 5 million pounds, 620 000 Euro's and R5.5 million – a total amount of R588 million – I must go on holiday more often!!

After deleting the above hoax e-mails (does anybody actually respond to these?) and others of no interest I was left with 143 that required attention – in other words half of the mails I received were of no interest. I guess that receiving 50% unwanted mail is a small price to pay for the convenience of electronic mailing.

So after wading through the mails I would like to wish you all a GREAT 2009!!!!

TOUCH-PAUSE-ENGAGE

Touch-Pause-Engage is going to be the catch phrase for a successful citrus campaign in 2009. **TOUCH** – get in touch with the markets and determine what the situation is, either directly or through your agent. By all accounts this year's markets are going to be quite different from the past couple of years – so make sure you know what is going on.

PAUSE – With the market information at hand, take a moment to reflect on what it means. In particular, determine what can realistically be marketed at reasonable returns. Early indications are that buyers will be more cautious in 2009, so err on the conservative side when planning your export program. **ENGAGE** – Be involved in every aspect of your supply chain in 2009. Control costs wherever possible, seek for discounts (not at the expense of quality) and shop around. Ensure that your carton has a price tag attached – if your receiver is not prepared to take a risk, then the risk is probably not worth taking.

GLOBAL CITRUS TELECON DECEMBER 2008

In mid December Paul Hardman took part in a global citrus teleconference which included representatives from France, Morocco, UK, USA, Russia, Spain, Turkey, Italy, Argentina and Cyprus. In particular the telcon was aimed at assessing conditions in markets during the northern hemisphere season. Feedback from the European market was of poor prices and difficulty in moving fruit. The Spanish lemon producers have agreed to suspend selling of class 2 fruit, while orange producers agreed not to sell undersized fruit – all in an attempt to stimulate demand and prices. Lemon prices were below costs of production, and grower unions threatened strike action unless better prices were achieved. The telecon reported difficulty in the Russian financial situation – with delays in payments, although prices are high. Markets in both Germany and France have been down on consumption – between 6 and 10%. The Moroccans have a drive to increase citrus production – with a doubling of area envisaged; the full impact would be felt in 2014/2015. In the USA the season was early, and it would seem that this has put pressure on prices. There have been big increases in soft citrus plantings in the USA. A full report on the telecon can be found at www.cga.co.za.

	Total export	Tot Exp Y-1	Average 4Y	Total export	Tot Exp Y-1	Average 4Y	Total export pending	Tot Exp Y-1	Average 4Y
Oranges	All year (Projection)			Up to end Nov			Pending December Onwards		
Spain	1,555,000	1,275,600	1,294,650	170,000	177,000	200,475	1,385,000	1,098,600	1,094,175
Morocco	305,000	295,700	269,000	1,000	1,000	1,325	304,000	294,700	267,675
Total	1,860,000	1,571,300	1,563,650	171,000	178,000	201,800	1,689,000	1,393,300	1,361,850
Easy peelers									
Spain	1,529,000	1,417,200	1,505,150	500,000	536,000	537,875	1,029,000	881,200	967,275
Morocco	332,000	272,200	276,150	137,000	98,000	103,300	195,000	174,200	172,850
Total	1,861,000	1,689,400	1,781,300	637,000	634,000	641,175	1,224,000	1,055,400	1,140,125
Lemons									
Spain	440,000	313,792	421,049	75,440	78,197	76,889	364,560	235,595	344,160
Turkey	230,000	223,900	422,624	93,708	98,173	115,844	136,292	125,727	306,780
Total	670,000	537,692	843,673	169,148	176,370	192,733	500,852	361,322	650,940
Grapefruits									
Spain	40,000	38,100		9,800	9,292		30,200	28,808	
Turkey	120,000	131,100		32,988	34,480		87,012	96,620	
Israel	87,000	81,000		31,000	36,000		56,000	45,000	
Total	247,000	250,200		73,788	79,772		173,212	170,428	
GRD Total	4,638,000	4,048,592	4,188,623	1,050,936	1,068,142	1,035,708	3,587,064	2,980,450	3,152,915

YOUR LEVY WORKING FOR YOU – GROWER LEVIES ARE USED TO FUND THE ACTIVITIES OF CGA, CRI AND THE CITRUS ACADEMY