



## FROM THE DESK OF THE CEO (14/09)

Justin Chadwick (10 April 2009)

Citrus Growers Association (CGA)

**QUOTE OF THE DAY:** "If it's sent by ship then it's a cargo, if it's sent by road then it's a shipment."  
Dave Allen

**WISHING YOU ALL A HAPPY AND RESTFUL EASTER. IF YOU ARE ON THE ROADS TRAVEL SAFELY.**

### GLOBAL TELECONFERENCE

At this time of the year SHAFPE and Freshfel organize a global teleconference aimed at wrapping up the northern hemisphere citrus season, finding out how markets are performing, and looking ahead at the southern hemisphere season. On the 6 April CGA was linked into representatives from Turkey, Spain, Israel and the US (northern hemisphere producers), UK, France, Belgium and Spain (buyers) and Chile, Peru, Uruguay, Australia and Argentina (southern hemisphere producers).

**ORANGES:** News from Spain, Morocco and Turkey are of bigger volumes exported, with large amounts of small sized fruit. Morocco's late valencia's have been influenced by heavy rains and cold weather – concern that this later, small fruit may impact on early southern hemisphere shipments. Market reports very poor prices for small fruit, and is looking forward to good sized oranges from the southern hemisphere (sh). The US reports that navel oranges are coming to an end, but also some concerns regarding a Valencia crop that is difficult to move – could be some spillover to sh season. South Africa's share of sh oranges will be about 73%, with Argentina (drought in the north east areas), Peru and Uruguay forecasting lower export volumes. Australia predicts higher volumes as there is some respite from the drought (still some concerns though) and exchange rates are favorable for exports. Chile also showing a 20% increase in exports as this year's crop is not affected by the freeze of former years. Chile is hopeful of access for oranges to the US in this season.

**LEMONS:** Not a happy scenario in Europe! Both Spain (20%) and Turkey (15%) have had increased export volumes, with prices crashing by up to 40%. Many lemons have been left on the trees in Spain as the price does not meet production costs. Growers have appealed to the Spanish government for more support. Spanish Fino's will be completed 15 April – to be followed by a good crop of verna's – probably 150 000 tons to be exported, which along with Turkey's 100 000 tons will result in a difficult European market for some time to come. South Africa has 26% market share in sh lemons. Argentina is the market leader and predicts a 22% decline in export volumes. This is mainly due to a conservative approach to exports – a substantial portion of the crop (1 m tons) will go to processing. There are concerns that Russia will take fewer lemons. Reduction of demand in the food service sector (as more consumers dine in) has impacted on lemon sales in the US.

**EASY PEELERS (EP):** As in the case of lemons, Spain, Morocco and Turkey experienced increased export volumes this season – resulting in difficult marketing conditions in Europe. However, UK traders reported that supply and demand are in balance. South Africa has 31% market share of sh EP. Once again Australia (recovery from citrus canker) and Chile (no freeze) show increased volumes, while Argentina, Peru and Uruguay all show a drought influenced reduction in volumes to be exported. News from the US is that their season is coming to an end, and that the transition to the sh should be smooth.

**GRAPEFRUIT:** The Mediterranean countries are not big suppliers of grapefruit; in total export volumes are similar to 2007/8. Traders report reasonable to good trading conditions with demand and supply generally in balance. South Africa has 90% share of sh grapefruit – so we can largely determine our own destiny. Traders are concerned about the larger grapefruit crop being forecasted out of South Africa; particular concerns regarding smaller sized fruit and white grapefruit. Argentina also report that their grapefruit will be smaller in 2009. The US grapefruit season will finish soon – resulting in a smooth transition to sh grapefruit.

**DETAILED MINUTES OF GLOBAL TELCON AVAILABLE ON [WWW.CGA.CO.ZA](http://WWW.CGA.CO.ZA)**

### GRAPEFRUIT TO JAPAN

The Grapefruit Focus Group (GFG) has asked CGA to oversee the coordination of grapefruit shipments to Japan in 2009. This follows from success in this endeavor in the past, where responsible shipping into Japan and good communication with all role-players has resulted in fair grower returns from the market, and in general better trading conditions for all involved in the supply chain. The first meeting to discuss coordinated shipping will take place on 17 April in the Cape.

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