FROM THE DESK OF THE CEO (29/09)

Justin Chadwick (24 July 2009) Citrus Growers Association (CGA)

QUOTE OF THE DAY:" *"Success is the result of making many mistakes, and learning from the experience" Winston Churchill*

CITRUS GROWERS ANNUAL FINANCIAL STATEMENTS (AFS) AND AGM

The AFS have been approved by the CGA Board and are now being distributed to all grower members. We will be e-mailing the AFS to all growers for whom we have an e-mail address. In addition a notice will be included along with the Annual Report (being posted to all growers today) inviting all growers to contact CGA should they wish to get a copy – these can then be e-mailed, faxed or posted to members on request. If you have not received a copy of the AFS and wish to receive them please contact Robert Miller at 031 7652514 or robertm@cga.co.za.

The AFS will be presented at the **CGA AGM to be held at Willow Park Conference Centre (15 minutes from OR Tambo International Airport) at 17h00 on 18 August 2009 (notice of AGM included in the Annual Report package).** If any member has any issues that they would like raised at either the CGA Board meeting (on the same day), or at the AGM please do not hesitate to call me or your CGA Board representative.

CHINA MARKET DEVELOPMENT

On Wednesday at a meeting in Sundays River the question was asked as to how exports to China are faring. When access to China was opened in 2004 that market was seen as the answer to South Africa's ever increasing citrus export crop. Volumes into mainland China remain fairly low (2007 262 000 cartons; 2008 300 000 cartons); whereas total exports to that region (Hong Kong and China combined) are substantial – 2007 4.1 million; 2008 3.7 million cartons. One of the keys to getting increased volumes into this region is promotion of the South African citrus offer. Without promoting our product how do we expect buyers to know about it, know where to source it from etc.? It is really pleasing to see that Department Trade and Industry are supporting the industry in funding a stand at the AsiaFruit Logistica trade show. Last year we were conspicuous by our absence at this trade show, with our competitors there in full force with big, flashy stands. In addition CGA will be providing the stand with promotion material in the form of brochures on citrus – included in the brochure will be details on exporters from South Africa. The names and contact details of all FPEF members will be there – as well as grower-exporter members of CGA. **As we do not necessarily know details of all grower exporters involved in the China/Hong Kong market a request is made to all of those grower members of CGA who wish to be listed in the brochure to contact me urgently** – we will be going to print in the next week. These brochures will be translated into mandarin. Fruit South Africa has also come to the party (CGA is a ¼ owner of FSA) by translating the Export Handbook into Mandarin for distribution at the show.

PACKED AND SHIPPED 2009

Year to date figures show that white **grapefruit** represents only 20% of total grapefruit packed – seems that the grapefruit growers have responded to the decreased demands for this variety. Total packed to date is now roughly the same as the final figure for 2008 – so we will definitely have more grapefruit in the market than 2008. With the market in northern Europe looking fairly depressed, it was pleasing to see that the Japan sales rate has met the five year average, after lagging by 20 to 25% through the first part of the season. Northern Europe has absorbed 35% of grapefruit exported to date, Japan 33%, Southern Europe 8% and both Russia and the UK 6%. To date **clementines** account for 2.5 m of **soft citrus** packed – heading towards the initial estimate of 2.9 m. The UK remains the main market with 46% of soft citrus exported to date, followed by N Europe 19%, Russia 10%, Middle East 7% and USA 6%. **Lemons** remain heavily dependant on the Middle East markets – absorbing 43% of the volume exported to date, followed by the Far East and Russia on 13% each. Europe remains a difficult market for lemons – taking only 12% to date. With just less than 7 m packed to date it seems that the revised estimate of 8.6 m may be achieved. With almost 90% of **navels** packed the orange market moves across to valencia's – given the difficult trading conditions at the start of the orange season (Europe awash with unwanted small northern hemisphere oranges) the Middle East has been an important navel destination with 29% of export volumes, with Russia (10%), Asia (10%) and the US (7%) taking some pressure off the EU markets (northern Europe 21% and UK 8%). So the focus now falls firmly on **valencia's** – with packing tempo of between 2 and 3 m per week being packed. Although early in the season in terms of shipped volumes (only 12% shipped to date) the bulk has been exported to northern Europe (24%), Middle East (20%) and Russia (16%).

To Week 29 – Million 15Kg cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed	Final Shipped
Source : PPECB	2007	2008	2009	2008	2009	2009	2009	2008	2008
Grapefruit	12.6 m	11.8 m	12.7 m	10.1 m	11.3 m	15.1 m	13.5 m	12.8 m	12.4 m
Soft Citrus	5.9 m	6.2 m	5.7 m	5.3 m	4.8 m	7.4 m	7.1 m	7.3 m	6.5 m
Lemons	5.2 m	7.9 m	6.6 m	6.1 m	4.8 m	9.4 m	8.6 m	9.6 m	8.8 m
Navels	15.9 m	17.8 m	16.8 m	14.6 m	13.6 m	21.6 m	19 m	21.5 m	21.2 m
Valencia	10.1 m	11.6 m	9.5 m	5.8 m	4.8 m	43 m	40.5 m	42.8 m	40.4 m
	49.7 m	55.3 m	51.3 m	41.9 m	39.3 m	96.5 m	88.7 m	94 m	89.3 m

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