



FROM THE DESK OF THE CEO (32/09)

Justin Chadwick (14 August 2009)

Citrus Growers Association (CGA)

QUOTE OF THE DAY: "The secret of a good sermon is to have a good beginning and a good ending; and to have the two as close together as possible" George Burns

CELEBRATE SUCCESS: DOWNING THE AUSSIES AT RUGBY ... BIG TIME!!

REMINDER ABOUT IMPORTANT DATES

A reminder that the **CGA AGM will be held at Willow Park Conference Centre (15 minutes from OR Tambo International Airport) at 17h00 on 18 August 2009**. RSVP Gloria@cga.co.za

The Department Agriculture, Forestry and Fisheries (DAFF) coordinating meeting will be held in **Stellenbosch at ARC Infruitec, Olive Grove on 16 September 2009 at 09h00**

TRANSFORMATION ADMINISTRATOR

Lukanyo Nkombisa has been appointed as CGA Transformation Administrator, and joins Melton Mulaudzi and Andrew Mbedzi in grower development activities. Lukanyo joins CGA from the Department of Agriculture where his duties included running the internship program and being involved in the extension recovery plan. Lukanyo is therefore perfectly placed to drive the CGA transformation effort. His focus will be on mentorship, extension, training and institutional development.

MAPUTO

Citrus is transported to Durban from northern growing regions despite the fact that Maputo port is significantly closer. Onderberg (for example) is less than 2 ½ hours from Maputo, and probably about 8 to 10 hours from Durban. For this reason alone the cost of going through Maputo should be less than the Durban alternative. Last week was my first visit to Maputo to attend the Maputo Corridor Logistics Initiative (MCLI) 5 year celebration and AGM— this is a true public-private partnership where both have joined hands to improve and increase the use of the Gauteng-Maputo corridor. MCLI is run by the energetic and enthusiastic Brenda Horn, who has stretched a small budget to move mountains. The MCLI AGM and 5 year celebration was an example of what she can achieve – on the podium were former Premier of Mpumalanga and Chairman of MCLI Dr Mathews Phosa, along with the Ministers of Transport of both Mozambique and South Africa. And how's this for expediency – they arrived in VW Jetta's (maybe some of the M Benz lovers in RSA should take note). The three dignitaries all gave speeches which showed a clear grasp of the challenges that users of Maputo faced, and pledged their support in addressing these challenges.

For us as a citrus industry Maputo is one of the keys in relieving congestion in Durban. This year CGA has an initiative to try and get 100 000 pallets through this port. We have engaged with terminal operators, shipping companies and the Maputo port authority in an attempt to incentivise the use of Maputo. We will also discuss joining MCLI to get some of Brenda's energy behind the initiative. If one was in Maputo last week one would have thought that the 100 000 pallets would be easy, given that citrus was pouring into the port – the facility was full and ten vehicles stood outside waiting to offload. But the terminal operators pointed out that three vessels were due in the next week or two, after which the terminal would revert back to low intakes once more. We may not achieve the 100 000 pallets in 2009, but have set the scene for bigger volumes in the future.

What was frustrating for the terminal operators (and I am sure for the vessel owner involved) was that a ship destined for northern Europe was at the berth, but the fruit swamping the facility was destined for the Middle East, Russia and the Med. Better planning is needed in the future.

Another piece of good news is Maersk's announcement of a direct container service to the Far East from Maputo. CGA is engaging with all involved to determine costing's etc.

Maputo used to have a thriving harbour (as seen by the crumbling infrastructure and facilities), it is on its way up to its previous heyday and there seem to be some real opportunities for the citrus industry.

PACKED AND SHIPPED 2009

This last week John Edmonds was hard at work with four variety focus group meetings. The navel and grapefruit predictions remain largely as they were, while the Valencia Focus Group decreased their predictions further (see below). The predicted packed figure is now nearly 5 million cartons less than the original estimate! Soft citrus decreased their estimate to 6.6 m cartons.

Hot off the press news from Russia is that the market is not looking good for soft citrus, grapefruit is in balance and lemons are doing OK. The orange situation is unclear with more volumes expected in the next few weeks. Concern has been expressed about flexible payment terms being offered by some exporters to Russia— there needs to be caution due to a number of new players in the market, and bearing in mind the large losses made by some in Russia in 2008.

To Week 32 – 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	13.6 m	12.4 m	13.4 m	11.7 m	12.5 m	15.1 m	13.5 m	12.8 m	12.4 m
Soft Citrus	6.4 m	6.8 m	6.3 m	5.9 m	5.3 m	7.4 m	6.6 m	7.3 m	6.5 m
Lemons	6.2 m	8.8 m	7.6 m	7.4 m	6.1 m	9.4 m	8.2 m	9.6 m	8.8 m
Navels	17.9 m	20.3 m	18.7 m	18.1 m	16.7 m	21.6 m	19 m	21.5 m	21.2 m
Valencia	18.2 m	20.4 m	17.6 m	12.9 m	10 m	43 m	38.2 m	42.8 m	40.4 m
	62.3 m	68.7 m	63.6 m	56 m	50.6 m	96.5 m	85.5 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