



FROM THE DESK OF THE CEO (35/09)

Justin Chadwick (4 September 2009)

Citrus Growers Association (CGA)

IMPORTANT DATES

THIS IS YOUR OPPORTUNITY to tackle DAFF (Department Agriculture, Forestry and Fisheries) on issues of concern with respect to present export requirements and those anticipated for 2010 – at the coordinating meeting to be held in **Stellenbosch at ARC Infruitec, Olive Grove on 16 September 2009 at 08h30 (please note changed starting time)**. On the agenda will be the new requirements with respect to CBS – and how these will be implemented in 2010. The **standards meetings** will be held on **Tuesday 15 September** with oranges (navels and valencias together) from 10h00 to 12h00; followed by lemons, grapefruit and soft citrus (all together) from 13h00 to 16h30 – all at **ARC Infruitec, Carmine Room**.

The **Citrus Marketing Forum (CMF)** will then be held after the DAFF meeting (Wednesday 16 September) from 14h00 (or following the Coordinating meeting), at **Olive Grove**.

ASIAFRUIT LOGISTICA

South Africa has arrived in Hong Kong with a bang – driving up to the entrance to the Hong Kong Convention Centre, wrapped around the most visible pillar is a huge banner sporting the South African flag and the tag line “South Africa – Alive with Possibilities”; and on the trade show floor the South African stand has the biggest footprint, and in the view of most of the people I spoke to is the best stand at the show. It is spacious and welcoming with some fantastic graphic work – well done to DTI for coming with the funds, to their personnel Amanda and Pamela for working tirelessly on the stand, and to Michelle and Stuart for once again making us proud.

Last year many commented that if we were serious about developing our industry in Asia then we needed to show our presence – our stand has definitely illustrated our intent, as has the number of South Africans at the show. By having a stand (home) we can see the South African presence and it is significant. There was a vibe around the stand all three days and the South Africans present made visitors most welcome. There were trade visitors from all over Asia – and I am sure that a lot of new connections were made. In particular I fielded queries from Viet Nam, India, South Korea and China.

It seems that the Chinese market for South African citrus is much better this year than at the same time last year – it seems demand matched supply and the price returns should be reasonable. Once again the message about attention to detail and packing especially for the Chinese market cannot be stressed enough. Remember that in most cases the importers sell on to traders – these traders then either deal in pieces or in weight as they sell on to the next receiver – and so sending less fruit than the specified count, or underweight cartons has serious ramifications for the buyer. And don't think that the buyer does not notice who is short changing him each time!!!! I asked a few people who supplied the best citrus into this market and each time the top three was the same – the buyers know the names (brands) on the cartons that regularly supply good weight, the required number of fruit and consistent quality. So if you want a long term future in the market build your brand by over-delivering wherever possible.

The weather here is incredibly humid – a five minute walk outside the air-conditioned buildings and you are bathed in sweat. So imagine how your fruit feels if it comes straight out of cooled conditions into this heat. There are facilities available that will allow you to step up the temperature after arrival, and it is advisable that exporters identify these and make use of them to ensure that fruit quality is maintained. In many cases the first sale from South African exporter to receiver is just the first step in a long journey for that fruit – with fruit from the south of China traveling to many destinations in China – many far from the initial entry point. So your fruit has to have “legs”, and treating it well on arrival will increase its ability to travel.

PACKED AND SHIPPED 2009

The Valencia Focus Group met this week and decreased their estimate by another million cartons – with weekly packing of just over 2.5 m cartons last week this means that packing will be slowing down over the next four weeks. With the spotlight firmly on valencias it is interesting to see that this year's distribution is very different to 2008 – exports to Northern Europe have dropped from 38% in 2008 to 28% in 2009, and in Southern Europe from 38% in 2008 to 10% in 2009; conversely Middle East exports have increased from 10% (2008) to 22% (2009), to Russia from 7% (2008) to 11% (2009) and Asia 9% (2008) to 12% (2009).

To Week 35 – 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	14.1 m	12.8 m	13.8 m	12.2 m	13.1 m	15.1 m	14 m	12.8 m	12.4 m
Soft Citrus	6.7 m	7.2 m	6.7 m	6.3 m	5.8 m	7.4 m	6.7 m	7.3 m	6.5 m
Lemons	6.7 m	9.2 m	8.1 m	8.1 m	7m	9.4 m	8.2 m	9.6 m	8.8 m
Navels	18.6 m	21.4 m	19.3 m	20.3 m	18.5 m	21.6 m	19.3 m	21.5 m	21.2 m
Valencia	28.7 m	30.8 m	27.9 m	21.8 m	18 m	43 m	37 m	42.8 m	40.4 m
	74.8 m	81.4 m	75.8 m	68.7 m	62.4 m	96.5 m	85.2 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