



FROM THE DESK OF THE CEO (39/09)

Justin Chadwick (2 October 2009)

Citrus Growers Association (CGA)

QUOTE OF THE DAY: "Good judgment comes from experience, and experience comes from bad judgment"
Barry LePatner

2009 REVIEW GRAPEFRUIT

When asking how the 2009 season was it depends on what citrus sector you are in, when you were in the market, what markets you were in and which channel you used – but in general if you were in the grapefruit sector 2009 is probably a season best forgotten. Although not as bad as 2005 (for most) conditions in most markets were not great, and not as good as the 2006/7 and 8 seasons. The total volume increased from those achieved in 2008 (back to 2007 levels) but was about a million cartons less than originally estimated. This is probably due to good decision making in terms of keeping marginal fruit at home. Juicing volumes increased considerably. As usual the two most important markets were Japan and Northern Europe. The Japanese market was characterized by big Californian imports at the beginning of the year, and sluggish demand throughout the season (sales rates 15 to 20% below the five year average). The market coordination effort meant that the original estimate of 4 million cartons of grapefruit was exported to Japan – given poor market conditions in Europe there would have been some who may have been tempted to load off more to Japan, temptation that was put off by the regular reporting on Japan conditions. At one time it was anticipated that less fruit would be sent to Japan; however an increase in container sendings resulted in the 4 million cartons being achieved. For the first time ever exporters complied with the guideline of 60% pigmented:40% white grapefruit. Unfortunately the guideline for sizing (15% count 50 and smaller) was ignored by some – it was consistently reported that it was this smaller fruit that was difficult to sell. In addition, the volumes of smaller fruit also put pressure on count 45's. Given all of these factors stocks at times increased to concerning levels, and settled prices will be disappointing for many growers. "What if" analysis shows that stocks would have been kept at the required level if sales rates had been at the five year average. Growers will be discussing and deciding on launching a promotion campaign in Japan in 2010. Northern European markets were also poor for grapefruit, with poor returns throughout the season. On the positive side some markets showed volume growth; Middle East almost doubled from 212 000 cartons in 2008 to 412 000 cartons in 2009. Although there were concerns that exports to Russia may be halved in 2009, in fact exports increased by 5% (by 50 000 cartons). Far East exports also increased by 100 000 cartons. In addition the volume of white grapefruit continued to decrease in favor of pigmented grapefruit which are preferred in the market.

TONNAGE OFF TAR

Sandra Baetsen reporting in the latest tonnage off tar newsletter indicates that 38 000 pallets of citrus were transported by rail in 2009. This means that **2 000 trucks** were not used on our roads. Most of this citrus came from Limpopo province (Tzaneen, Letsitele and Hoedspruit). All ports (Durban, Cape Town, PE and Maputo) received citrus on rail. This is an excellent springboard to get bigger volumes onto rail in 2010.

PACKED AND SHIPPED 2009

Valencia's continue with their packing and shipping with 2.4 million cartons packed last week. The Valencia Focus Group met on Monday and revised their estimate down from 37 m to 36.7 m cartons.

To Week 39 – 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	14.3 m	12.8 m	14 m	12.4 m	13.5 m	15.1 m	14 m	12.8 m	12.4 m
Soft Citrus	6.8 m	7.3 m	6.8 m	6.5 m	6 m	7.4 m	6.8 m	7.3 m	6.5 m
Lemons	7.1 m	9.4 m	8.5 m	8.6 m	7.4 m	9.4 m	8.5 m	9.6 m	8.8 m
Navel	18.7 m	21.5 m	19.4 m	21.2 m	19 m	21.6 m	19.4 m	21.5 m	21.2 m
Valencia	41 m	40.7 m	37.1 m	33.6 m	29.8 m	43 m	37.1 m	42.8 m	40.4 m
	87.9 m	91.7 m	85.8 m	82.3 m	75.7 m	96.5 m	85.8 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