



FROM THE DESK OF THE CEO (49/09)

Justin Chadwick (11 December 2009)

Citrus Growers Association (CGA)

QUOTE OF THE WEEK: "You gain strength, courage and confidence by every experience by which you really stop to look fear in the face. You must do the thing which you think you cannot do"

Eleanor Roosevelt

ALL OVER THE WORLD

For a lot of growers and others in the citrus export supply chain 2009 has been a difficult year. To show that we are not alone in our challenges I would like to share an extract from an e-mail sent from a grapefruit grower in Honduras to a South African grower "I have been in the grapefruit industry for the last 40 years and my family planted the first red grapefruit farm in Honduras. Due to the terrible results of the 2009 season I am seriously thinking about getting out of the business, sell the farm and go fishing. I will not make any money fishing but I am not making any doing grapefruit anyway and I enjoy fishing more than grapefruit." Although it makes amusing reading, it also illustrates that grapefruit growing and exporting the world over is under threat. What's classic about this paragraph is that it could just as easily have been written by a South African grapefruit grower!!!!

And then there's a grower in Turkey who was quoted in the media as follows "Although the prices of fertilizers and pesticides, as well as labor costs, have increased, the citrus prices are going down year by year. How can a grower be expected to get what he deserves and to make a profit under these conditions?" he asked.

Knowing that others around the world are also suffering is scant comfort when the bank manager is knocking at the door and your business is at risk of closure. If all citrus growers around the world are under threat then surely it is time to stand together and to let those who are responsible for the poor returns know that present citrus returns are unsustainable. Without the grower there is no produce – and all those in the chain will also suffer (although they do have the luxury of changing focus and dealing with another product). It is time that stakeholders in the global citrus supply chain understand that the goose (grower) that lays the golden egg (citrus) is in poor condition and needs some looking after.

BIOSECURITY

The small committee appointed to conclude the CBS risk mitigation measures for 2010 has met on a few occasions, the most recent on Wednesday this week. Thanks to those who gave of their time and expertise to assist in coming up with a workable system (Mike, Mashudu, John, Christo, Cyril, Vaughan, Steve and Johan). In developing the system it was essential that certain criteria were followed; most importantly the system must ensure compliance with the trading partners requirements; then it should be easy to understand, easy to apply and easy to police (the KISS principle). The system has been developed in such a way that the grower/exporter actually manages his/her own risk. If this is not done effectively then deregistration from the export programme is a real threat.

The final touches to the system are being done, and early in the new year information will be released. This will be done in the form of two documents – one describing the system and another covering FAQ's (Frequently Asked Questions). As soon as it is available it will be on our website, and this will be communicated through this newsletter and other communication channels.

PACKED AND SHIPPED 2009

Every year there is a discrepancy between the final packed and final shipped figure. Although some of this can be explained by the fact that some fruit that is packed and passed at inspection is not actually exported, there is also some concern that the shipped figures are not complete. As has been stated before EDI will assist in getting these figures more accurate. Looking back over the past four years the discrepancy on average is about 3 to 6%; but differs per citrus type. These figures are given below.

ALL 15 KG CARTONS	Packed	Shipped	Shipped as a % of Packed	Shipped as a % of Packed	Shipped as a % of Packed	Shipped as a % of Packed
Source : PPECB	2009	2009	2009	2008	2007	2006
Grapefruit	14 m	13.7m	98%	97%	100%	95%
Soft Citrus	6.8 m	6 m	88%	89%	93%	92%
Lemons	8.7 m	7.7 m	89%	92%	90%	88%
Navels	19.4 m	19.1 m	98%	99%	**98%	**95%
Valencia	38.5 m	35.3 m	92%	94%		
	87.4 m	81.8 m	94%	95%	97%	94%

** 2006 and 2007 figures are for all oranges and not split into Valencia and navel.

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