FROM THE DESK OF THE CEO (06/10)

Justin Chadwick (12 February 2010)

QUOTE OF THE WEEK "An ***alcoholic is someone you don't like who drinks as much as you do" Dylan Thomas***

CLAM, SHAFFE, Freshfel and Global Citrus Meetings

Meetings held last week in Berlin gave a good insight into what is happening at the tail of the northern hemisphere season and what is to be expected in the forthcoming southern hemisphere season. This week I will cover the CLAM meeting.

CLAM **ORANGE** reports are that for the last part of the season they will have fewer stocks than previously forecast due to an early end to the Spanish season. In **Spain** production decreased by 20%. Spanish report a satisfactory 2009/10 orange campaign with less competition from southern hemisphere at the beginning of the season, better sizing and quality, and less production leading to increased prices. Less was processed than previous years**. Morocco** report an increase in the export of oranges (216 000 t vs. 182 000 t last year). By end December only 10% of Moroccan oranges had been exported – meaning a further 200 000 t to be marketed before season end (if predicted volumes are to be met). **Turkish** orange exports increased by 20% (77 000 t to 94 000 t) largely due to a buoyant Russian market (38 000 t). The Turkish seem to have an advantage in assuring payment and other terms in Russia. Other significant orange markets for Turkey are Ukraine (19 000 t), Iraq (19 000 t) and EU (7 000 t). **Greek** orange exports increased by 30% - mainly to Germany, Romania and Poland. **Italy** reported an increase in orange volumes BUT very disappointing sizing with 40% of the crop being small. In total exports of oranges out of CLAM member countries increases by 3%. **USDA's** latest forecast shows a decline in all orange production from 212 ml boxes in 2008/9 to 185 ml in 2009/10. This is driven by a decrease in Florida -162 ml to 129 ml boxes. Most Floridian oranges are for juicing. Californian oranges are due to increase in production from 48 to 55 ml boxes – mostly sold as fresh fruit.

Total **SOFT CITRUS** exports from CLAM decrease by 8% (down 200 000 t). Mainly due to a **Spanish** production decrease of 10% due to heavy rains, frost and wind. As a result marketing of later varieties has started earlier (15 to 20 days in the case of Nadorcott). As a result pricing has also been good (15 to 20% higher than last year). **Morocco** also reported difficult weather conditions (heavy rainfall and low temperatures) impacting on harvesting. Fruit quality remains satisfactory except Nour which had 30 to 40% rejections. Moroccan exports to date reached 309 000 t as compared to 279 000 t last year – the final exports are predicted to be 10% higher than last year at 532 000 t; 40% of the crop is still to be exported. **Turkish** soft citrus are set to fall from 243 000 t to 231 000 t (by 5%). Turkish soft citrus exports will be completed in Mid March when Minneola will come to an end. Russia is Turkeys favored soft citrus market with 102 000 t, followed by Ukraine (48 000 t) and Iraq (20 000 t). **Greek** soft citrus exports increase by 40% (to 25 000 tons) albeit off a low base. **Israel** has had a good soft citrus campaign with 61 000 t characterized by good quality and satisfactory prices. Israel will produce 35 000 t of Or – of which 30 000 t will be exported. USDA forecast soft citrus to increase in production by 4% from last years 3.85 ml boxes to 4 ml boxes.

The Spanish delegation reminded CLAM that in the 1970's Italy was the **LEMON** king, since then Spain had emerged as the lemon king, and now Turkey was taking over that title. Although total CLAM lemons is similar to last season, it is forecast that **Spanish** lemons are down in volumes and their season will end early. Fino lemons will be down by 20% and Verna by 70%. This shortfall is largely taken up by **Turkey** who will export 60% more due to less competition (from Argentina) – most lemons going to EU (84 000 t), Russia (61 000 t) and Ukraine (25 000 t). Turkish lemon exports will increase from 141 000 t to 222 000 t. When asked if Turkish exports would continue to increase – the reply was a definite yes. Their season is reported to go through to June. US lemon production will decrease from 25 ml boxes to 22.5 ml boxes – with California shedding 2 ml boxes.

For the first time in all the meetings I attended **Cyprus** reported they had reasonable rains (they used to report at each meeting about the lack of rain) which has meant a good crop of good sized **GRAPEFRUIT**. Unfortunately white grapefruit has limited demand at any price, and moderate demand for Cypriot red grapefruit. **Turkey** is CLAM's second biggest grapefruit exporter and they reported an increase of 20% in volumes (from 48 000 t to 57 000 t). However, sizing of Turkish grapefruit is limiting sales in Eastern Europe, fortunately markets in Germany and Netherlands performed better. EU will take 20 000 t, Russia 17 000 t and Romania 7 000 t. **Israel** is CLAM's biggest grapefruit exporter, reporting the best harvest in the last ten years – increasing 8% compared to last year. Sweetie returns have been average, with more interest in Asian markets. Pigmented returns have been variable while white grapefruit is not really favored. **China** has dominated the pummelo market, making it difficult for Israel to compete – Israeli pummelo exports have dropped by 46%. **Moroccan** exports will be similar to 2008/9 at 7 000 t. **US** grapefruit production will decrease from 33 ml boxes to 28.5 ml boxes; Florida grapefruit continuing its declining trend from 21.7 ml to 18.8 ml boxes. In total US will produce 5.3 ml boxes white and 13.5 ml boxes pigmented grapefruit. **MORE ON MARKETS AND SOUTHERN HEMISPHERE FORECASTS NEXT WEEK.**

US ACCESS

Market access to the US for 16 magisterial districts situated in the Free State, North West and Northern Cape Provinces was announced this week!!! This is fantastic news and great reward for all who have worked on this application – I am sure I am joined by growers in these regions in thanking Department of Agriculture, Fisheries and Forestry (DAFF), CRI, CGA (including our representative in Washington) and all others who played a role in this approval. Details on www.cga.co.za.

REMINDERS

Quick reminders – packhouse workshops KZN Swaziland 15/16 Feb; Eastern Cape 17/18 Feb; Western Cape 23/24 February [Info on venue, time, agenda on www.cga.co.za].

CGA Road shows – Paul's group; **2 March** a.m. Patensie and p.m. Sundays River; **3 March** E Cape Midlands (a.m.); **9 March** p.m. KZN Midlands; **16 March** p.m. Nelspruit; **17 March** a.m. Onderberg, p.m. Swaziland. Justin's group **2 March** a.m. Western Cape; **3 March** a.m. Oranje Rivier; **4 March** a.m. Hartswater; **9 March** p.m. Senwes; **10 March** p.m. Limpopo River; **11 March** p.m. Letsitele; **12 March** a.m. Hoedspruit – notices will be sent and on www.cga.co.za

Global Citrus Conference in Cape Town – 8/9 July 2010 – details on www.gcc2010.co.za