

FROM THE DESK OF THE CEO (05/10)

Justin Chadwick (4 February 2010)

QUOTE OF THE WEEK *"Snow and adolescence are the only problems that disappear if you ignore them long enough"* Earl Wilson

FRUIT LOGISTICA

The first day of snow is beautiful – it drifts lazily down around you, softening the landscape and creating beauty all around. By the third day it's gone from snow to slush to ice – and a moment's lack of concentration as you walk to the tube results in a very poor impersonation of Michael Jackson's moonwalk. I am sure that most South Africans will be happy to get back to the familiar summer conditions after another Fruit Logistica. As we faced the uncertainty of the recessionary climate last year the mantra was "touch, pause, engage". This year's call was one of "engage, engage and engage". In last year's recessionary economic climate (low supply, low demand and low prices in general) exporters have learnt who will stay with them through thick and thin, and these were the partners who visited the South African pavilion, renewing relationships and planning for 2010. The days of rocking up at the stand in the hope of meeting with somebody to do business with seem to be over; in most cases appointments have been made way in advance and the exporters were locked in close discussions with their respective partners. And the stand once again showcased South Africa as a serious player in the European market. DTI must be applauded for providing the fruit industry with this platform to showcase our industry, and the DTI and FPEF staff must be commended for their hospitality and professional manner in dealing with all visitors.

For CGA it is an opportunity to interact with the global citrus community – both formally and informally. Formal interaction takes place at a number of meetings – Freshfel, Global Citrus meeting, CLAM (the Mediterranean citrus industry body) and SHAFTE (Southern Hemisphere Association of Fresh Fruit Exporters). At these meetings data and information is shared with regard to volume expectations, market conditions and issues of concern. Informal interaction takes place at the thousands of stands making up the exhibition.

Although the message coming out of the northern hemisphere is fairly positive, it needs to be tempered with realism. Although many reporters are calling the recession over, this is mostly wishful thinking and a technicality. The truth is that people's disposable income has taken a knock, and most are out there looking for a good deal. Having said that I do believe that lemon growers can look forward to a good season. The Spanish crop is short, and although Turkey has filled some of the gap, there seems to be early season demand for the product. With Argentina facing a weather induced drop in production, the lemon season could start and end well.

The northern hemisphere grapefruit market took over where we left off, with disappointing results for most northern hemisphere exporters. It is hoped that the promotion campaigns in the UK and Japan will lift demand and bring grapefruit out of this perpetual decline. Grapefruit is such a good product – it deserves better!!!

The Satsuma market will probably be a bit more competitive than 2009, with Peru and Uruguay both reporting normal crops after poor 2009 experiences. In general the northern hemisphere easy peeler season has been good; and there is no reason to expect any change going into our season.

The early exit of southern hemisphere oranges in 2009 meant that the northern hemisphere entered an empty market, and their better sizing has meant overall good orange returns. These can be maintained through intelligent marketing, sticking to good quality and providing what the customer wants. Like in 2009 there will be no place for marginal fruit – rather keep it at home.

REMINDERS

Quick reminders – packhouse workshops Limpopo 9/10 Feb; Mpumalanga 11/12 Feb; 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].

Grapefruit growers are asked to comment to NAMC on levy application by 5 Feb [details on www.cga.co.za].

CGA Road shows – Nkweleni on Tuesday 2 February 2010; other regions first two weeks in March – dates to follow.

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

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CITRUS ACADEMY AND CITRUS RESEARCH INTERNATIONAL**