FROM THE DESK OF THE CEO (07/10)

Justin Chadwick (19 February 2010)

QUOTE OF THE WEEK "*Being ill is one of the greatest pleasures of life, provided one is not too ill and is not obliged to work until one is better." Samuel Butler*

MARKETS

Last week I reported back on the northern hemisphere season – this week I will touch on some market information. Information comes from the various meetings held in Berlin, as well as publications such as Fruitrop, and information from Sirkel Sourcing (thanks to Paul van der Hoorn) and others. Please note that markets are volatile and conditions can change rapidly.

For **ORANGES** the northern hemisphere has had a season that has been described as "very satisfactory". Moderate supply has meant reasonable pricing. Lately the markets have become a bit slow – although supermarket returns are still reasonable, the spot market is proving disappointing. Latest pricing from just about all sources is Euro 8 – 9 per 15 Kg carton. The European weather has impacted sales of all citrus towards the second half of their winter – although colder weather does stimulate sales (the "flu" effect), heavy snow falls deter shopping. In addition high vegetable prices mean less disposable income available for fruit.

For **SOFT CITRUS** Mediterranean growers report 2009 as being a good year, and demand has continued into 2010 which, coupled with modest supply, has meant continued good pricing. It is likely that Spain will finish early, giving the later northern hemisphere suppliers a boost and hopefully meaning a good start to the southern hemisphere campaign. The source and variety offered has a major influence on price – latest reported prices indicate Afourer from Morocco selling at Euro 13 to 14; while Or from Israel is at times achieving Euro 22 (per 15 Kg). Compare this to Moroccan Nour at Euro 8 to 9.50 or Spanish Fortuna at Euro 7.50 to 9. Russia reports loads of cheaper Pakistani mandarins. UK reports strong demand for easy peelers and good prices.

For **GRAPEFRUIT** the sluggish southern hemisphere market continued into the northern hemisphere market – despite lower supplies into the market. "Recession economics" at play with lower supply, lower demand and lower prices. Prices have been lower from all sources. Prices reported for 17Kg cartons Star Ruby from Florida are Euro 14 to 16.5, while 14 Kg cartons from Turkey are Euro 7-8; from Israel (Sunrise) Euro 8-9.50. White grapefruit has been in the range of Euro 7.5 to 8.5.

For **LEMONS** the latest market conditions are reported as "strange". Despite lower Spanish volumes prices have not strengthened. Could this be due to the increased Turkish volumes? Spanish prices are between Euro 9-11, while Turkish prices are between Euro 7 and 8.50. Marketers assure me that buyers will switch from Turkish to South African lemons when our product hits the market – and that the Turkish harvest reported to continue to June should have limited effect.

In general **RUSSIA** reports a "very slow" market for citrus. Importers overestimated the purchasing power of the Russian market resulting in too much volume being shipped to that market. The winter has been exceptionally cold.

In the **UK** in general market conditions have "improved" – except for grapefruit which has been "slow and poor".

In **GERMANY** there has been good demand for lemons, oranges and soft citrus due to the cold weather – with good prices. Lower volumes from Spain have resulted in diversification of origin (Turkey, Greece and Italy) into Germany.

PACKHOUSE WORKSHOPS

I had the good fortune of attending the packhouse workshop in Durban – and what a privilege it was!!! Congratulations to Hannes Bester, Hennie Le Roux and all the speakers for putting together a fantastic show. I understand that the Limpopo, Mpumalanga and Eastern Cape workshops have been well attended – what happened in Durbs?? The turnout was poor – and this is where the "fruit hits the water". Where were all the people who handle our fruit in the port?? Do they not care about what goes on before the fruit hits their care?? Congrats to Swaziland for sending such a big team.

DATES FOR 2010

Only the **Western Cape packhouse** workshop to go – scheduled for 23/24 February. If you have not already put this in your diary DO SO NOW – you will not be disappointed. [Info on venue, time, agenda on www.cga.co.za].

CGA Road shows – Paul's group; **2 March** Patensie 09H00 [Patensie Sitrus Boardroom] and Sundays River 15H00 [Addo Polo Club]; **3 March** E Cape Midlands 10H00 [Katco]; **9 March** KZN Midlands 14H00 [Victoria Country Club]; **16 March** Nelspruit 14H00 [CRI Board Room]; **17 March** Onderberg 09H00 [Golden Frontiers], Swaziland 14H00 [Tambuti].

Justin's group **2 March** Western Cape 09H00 [Goedehoop Raadsaal]; **3 March** Oranje Rivier 10H00 [Lake Grappe]; **4 March** Hartswater 10H00 [Pokwane Packhouse]; **9 March** Senwes 15H00 [Groblersdal Golf Club]; **10 March** Limpopo River 15H00 [Noordgrens Lapa]; **11 March** Letsitele 15H00 [The Junction]; **12 March** Hoedspruit 08H00 [FRCitrus].

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

Citrus Research International Symposium – 15-18 August 2010 – Champagne Sports Resort, Drakensberg – details on www.citrusresearchsymposium.co.za