FROM THE DESK OF THE CEO – (17/10)

Justin Chadwick (30 April 2010)

QUOTE OF THE WEEK *"The question isn't who is going to let me, it's who is going to stop me" Ayn Rand*

SOUTHERN HEMISPHERE CITRUS

The SHAFFE secretariat has consolidated estimates from southern hemisphere citrus exporting countries (with the exception of Uruguay and Chile still outstanding). It is interesting to note that mandarin (soft citrus) export volumes for 2010 are 36% higher than the average for 2003 to 2009 (and 8% higher than last year). This sector remains the most competitive. Although lemons are up 9% on last year, they are 10% lower than the 2003 to 2009 average.

TOTAL SH										
Production	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**Var 2010/09**	**Var 2010/Av 03/09**
Oranges	2.717.698	2.798.463	2.948.705	2.962.765	3.281.048	3.259.651	2.944.901	3.113.615	5,73%	4,22%
Mandarins	975.361	944.677	836.929	858.297	925.736	889.543	741.811	795.871	7,29%	-9,74%
Lemons	1.693.546	1.777.999	1.922.683	1.998.312	2.011.015	1.864.723	1.676.715	1.488.782	-11,21%	-19,49%
Grapefruit	515.513	484.873	642.620	630.603	670.012	598.100	583.411	545.675	-6,47%	-7,40%
Total	**5.902.118**	**6.006.012**	**6.350.937**	**6.449.977**	**6.887.811**	**6.612.017**	**5.946.838**	**5.943.942**	**-0,05%**	**-5,77%**
Export	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**Var 2010/09**	**Var 2010/Av 03/09**
Oranges	946.094	984.895	1.084.649	1.033.313	1.268.316	1.226.787	1.115.975	1.149.300	2,99%	5,03%
Mandarins	157.973	209.852	209.546	232.907	265.326	272.806	295.395	320.000	8,33%	36,27%
Lemons	436.708	436.555	487.362	438.662	470.452	541.612	372.447	407.590	9,44%	-10,39%
Grapefruit	198.504	216.305	287.559	178.152	244.337	219.183	231.030	201.855	-12,63%	-10,29%
Total	**1.739.279**	**1.847.607**	**2.069.116**	**1.883.034**	**2.248.431**	**2.260.388**	**2.014.847**	**2.078.745**	**3,17%**	**3,47%**

CITRUS MARKETING FORUM (CMF)

The next CMF will be held on **THURSDAY 27 MAY 2010 at 10h00.** The meeting will be held at the normal venue (Willow Park Conference Centre) – shuttle buses are available from OR Tambo Airport (by arrangement). 2010 is panning out to be a difficult season with the exchange rate likely to impact on grower returns. As such ALL citrus industry role players are urged to put this date in their diaries.

PACKED AND SHIPPED

Growers in the northern areas have been frustrated as rain has delayed their ability to start packing.

With 4 million cartons packed and 1 ½ million shipped it is time to start monitoring the 2010 volumes. By this time Satsumas are all but finished – with 1.57 million packed (2009 year to date 1.18m). The Soft Citrus Focus Group met on Thursday and is busy revising their prediction. It was agreed that the **Satsuma** crop has been earlier than 2009, and also will probably be larger than the original 1.88 million estimate. In general prices have been better than 2009; but the exchange rate means that returns on the farm will be less. Conditions in Europe have been difficult with a lot of fruit in the market – with Peru, Argentina and Uruguay all experiencing better volumes than 2009.

In terms of shipped figure it is interesting to see that **Russia** has been the market of choice for the small volumes shipped to date – in grapefruit they have taken 58% of volume exported (2009 year to date 0%); for soft citrus 16% of volume exported (2009 ytd 3%) and lemons 17% (2009 ytd 6%). The recent FRESH conference in St Petersburg concluded as follows; **Russia's economic recovery is underway and opportunities are expected to increase. However the economy is not expected to return to pre crisis levels until 2012. **Retail sales are expected to grow by 3.3% in 2010. Fresh produce remained a key element in attracting shoppers. ** With inflation halving over the past 12 months, and the strong ruble imports are getting cheaper. ** Russian consumers are expected to see health as increasingly important over the next few years, boosting fruit and vegetable consumption. ** As Russia's fresh produce import market continues to develop, the issue of food safety has become a major factor and one that is now firmly entrenched in the Russian government's own approach to the sector. ** Difficulties in importing to Russia include MRL's (main issue), administration, customs and invoicing.

N Europe has accounted for 25% of grapefruit (2009 ytd 78%); 29% soft citrus (2009 ytd 22%) and 17% lemons (2009 ytd 7%). The **UK** has received 50% of soft citrus (2009 ytd 70%) and **Middle East** 42% of lemons exported (2009 ytd 52%).

To Week 16 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed	Final Shipped
SOURCE: PPECB	2008	2009	2010	2009	2010	2010	2010	2009	2009
Grapefruit	-	0.92 m	0.62m	0.12m	0.04m	12.6m	12.6m	14.2m	13.7m
Soft Citrus	-	1.21m	1.68m	0.81m	1.03m	7.5m	7.5m	6.8m	6m
Lemons	0.01m	1.27m	1.6m	0.59m	0.44m	9m	9m	8.7m	7.7m
Navels	0.02m	0.11m	0.15m	0.01m	0.01m	21.5m	21.5m	19.4m	19.1m
Valencia	0.01m	0.01m	0.01m	0.01m	0.01m	41.3m	41.3m	38.5m	35.3m
	0.04m	3.52m	4.06m	1.54m	1.53m	91.9m	91.9m	87.6m	81.8m

GROWERS' FUND THEIR FUTURE THROUGH THE ACTIVITIES OF THE CITRUS GROWERS'ASSOCIATION, CITRUS ACADEMY AND CITRUS RESEARCH INTERNATIONAL