

FROM THE DESK OF THE CEO (29/10)

Justin Chadwick (30th July 2010)

QUOTE OF THE WEEK "The problem with socialism is that eventually you run out of other people's money". Maggie Thatcher

CITRUS GROWERS' ASSOCIATION AGM AND BOARD MEETING

ALL GROWERS ARE INVITED TO ATTEND THE CITRUS GROWERS' ASSOCIATION ANNUAL GENERAL MEETING TO BE HELD AT CHAMPAGNE SPORTS RESORT, KZN DRAKENSBURG AT 18H00 ON TUESDAY 17 AUGUST 2010. CGA financial annual financial statements have been distributed to growers and will be available at the AGM. If you would like a copy please contact Gloria at 031 7652514 or gloria@cga.co.za or look on www.cga.co.za.

PPECB BOARD

The new PPECB Board has been appointed, Mzo Makhanya from Nkweleni and Tini Engelbrecht from Groblersdal have been appointed citrus industry representatives. Mzo was elected as Vice Chairman of the Board at their first meeting. The citrus industry can be assured that we have good representation at PPECB.

30% DISCOUNT ON YOUR CGA LEVY

The following report appeared in the Business Report on 23/7/2010; "The state of South Africa's agricultural research leaves a lot to be desired. The Agricultural Research Council (ARC), an institution that was established more than 100 years ago to conduct research, develop human capital and foster innovation, has been hemorrhaging staff due to lack of funding. In South Africa, funding for agricultural research appears to be somewhat of an afterthought, unlike in US, Australia and Brazil, where similar institutions are deemed a funding priority so that they can spearhead cutting edge research and commercial technologies. Insufficient funding for research has rendered the South African agricultural sector, which has until recently been very strong, unable to compete internationally, according to John Purchase, the chief executive of the Agricultural Business Chamber". Elsewhere in the article the CEO of the ARC bemoans the small parliamentary grant of R600 million they are being allocated.

It's interesting to note that South Africa's most competitive agricultural commodity has 100% of its research funded and controlled by citrus growers – not a cent from government and nothing done by the ARC. The South African citrus sector is the number two global exporter (after world champions Spain), is number one citrus exporter in the southern hemisphere and is the largest South African agricultural export earner (the R4 to 5 billion earned annually exceeding earnings of both wine and sugar) – I have written to Dr Purchase suggesting he learn about the model that we have developed in the citrus sector – it is a blue print for other sectors. The annual citrus research budget is about R20 million – imagine what we could do with some of Treasury's R600 million which is spent on ARC each year.

So where does the 30% discount in the heading come in? I visited Department Science and Technology (DST) last week (accompanied by Vaughan Hattingh), and they explained the incentive that they have going with SARS – the incentive being that 150% of research expenditure can be claimed in your tax return.

Governments present goal is that 1% of GDP be spent on research, which is due to be increased to 1.5%.

The 150% incentive is to try and get more private funding going to research. In the case of the CGA levy, growers can claim back that portion of the levy attributable to research – in 2009/10 this was 60% of the 38 cents per carton levy. So the grower would claim back from SARS the full 38 cents as an expense, and then a further 11.4 cents per carton (50% of 60% of the levy). If all growers claimed this it would put R10 million back into the growers pockets. Should you wish to find out more contact Robert Miller at 031 7652514 or robertm@cga.co.za – all information is also available on www.cga.co.za.

PACKED AND SHIPPED

To Week 29 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	11.8 m	12.8 m	11.3 m	11.3 m	9.6 m	12.6m	12.3m	14.2m	13.7m
Soft Citrus	6.2 m	5.8 m	6.4 m	5 m	5.2 m	7.5m	7.9m	6.8m	6m
Lemons	7.9 m	6.6 m	8.1 m	5 m	5.5 m	9m	8.8m	8.7m	7.7m
Navels	17.8 m	16.9 m	19.9 m	13.9 m	15.1 m	21.4m	20.7m	19.4m	19.1m
Valencia	11.6 m	10 m	11.5 m	4.8 m	5.2 m	41.3m	41.8 m	38.5m	35.3m
Total	55.3 m	52.1 m	57.2 m	40 m	40.6 m	91.8m	91.5 m	87.6m	81.8m

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