FROM THE DESK OF THE CEO (33/10)

Justin Chadwick (27 August 2010)

QUOTE OF THE WEEK "Character is like the foundation of a house - it is below the surface." Anon

CITRUS FOUNDATION BLOCK (CFB)

The CFB was founded as the Outspan Foundation Block (OFB) back in 1980 – this makes 2010 the 30 year anniversary for this valuable industry asset. When one looks at the state of some citrus industries around the world, with diseases causing widespread tree losses and decreased yields, the wisdom of previous citrus industry leaders in setting up a comprehensive citrus improvement scheme (CIS), with OFB as the nucleus, must be applauded. Most growers understand the importance of the CFB to the citrus industry – indeed many feel that the acquisition of the CFB is the most important move that CGA/CRI have ever made. For those who do not realize the importance of the CFB and the CIS, just consider what you take for granted – that the certified trees that you plant are disease free and true to type. When you consider that it takes three to four years before that tree gives any return at all, and seven to eight before you break even – is it not comforting to know that the tree has been through a rigorous process to ensure that you get a full lifespan from the tree?

And if the CFB is the greatest asset that CGA/CRI has, then Thys du Toit must rank amongst the most valuable employees. During the CRI Research Symposium, Thys was recognized by both CRI and SACNA for what he has done for the industry. His attention to detail at the CFB is what has set it apart from the rest – and has ensured that the CIS is successful. Congratulations to Thys and all the others at CFB on 30 years of great service to the industry – and we wish you many more.

SOUTHERN HEMISPHERE EXPORTS TO THE EU

FruiTrop has recently brought out their Statistical Yearbook – covering exports of all fruit and vegetables to the EU in 2008 and 2009. There are some interesting facts that arise when analyzing the figures:

For easy peelers (soft citrus) and grapefruit exactly the same volume (more or less) was exported to the EU from southern hemisphere countries in both years. For soft citrus volumes from South Africa, Peru and Chile decreased, while Argentina, Uruguay and Australia increased.

SOFT CITRUS (Tons)	South Africa	Argentina	Uruguay	Peru	Chile	Australia	TOTAL
2008	70 389 (41%)	36 243 (20%)	31 046 (18%)	30 981 (18%)	4 886 (3%)	-	173 545
2009	65 167 (38%)	46 316 (27%)	33 904 (20%)	23 413 (13%)	2 249 (1%)	2 214 (1%)	173 263

For grapefruit South African and Zimbabwe volumes increased slightly, with a slight drop in Argentinean and Swazi volumes.

GRAPEFRUIT (Tons)	South Africa	Argentina	Swaziland	Zimbabwe	TOTAL
2008	86 852 (79%)	12 351 (12%)	9 260 (8%)	1 409 (1%)	109 872
2009	88 568 (79%)	14 893 (13%)	6 707 (6%)	1 947 (2%)	112 115

The size of the EU market for southern hemisphere soft citrus and grapefruit has been stable over the past two years.

For oranges and lemons the situation is that the EU has imported far less from the southern hemisphere in 2009 as compared to 2008. This was largely a supply driven response – with Argentina with less lemons available, and South Africa less oranges; however, the recession did dent the appetite for imported fruits as well.

For oranges – Uruguay was the only source that increased volumes, although market share for Argentina, Uruguay, Zimbabwe and Swaziland all increased at the expense of South Africa.

ORANGES (Tons)	South Africa	Argentina	Uruguay	Brazil	Zimbabwe	Swaziland	TOTAL
2008	454 233 (68%)	96 350 (15%)	57 700 (9%)	26 091 (4%)	16 582 (2%)	14 878 (2%)	665 834
2009	333 254 (64%)	81 671 (16%)	59 293 (11%)	16 217 (3%)	13 517 (3%)	12 983 (3%)	516 935

For lemons although the volume dropped considerably, market share did not really change.

LEMONS (Tons)	Argentina	South Africa	Uruguay	Chile	Brazil	TOTAL
2008	267 806 (78%)	64 789 (19%)	10 002 (3%)	1 353	-	343 950
2009	163 814 (76%)	38 932 (18%)	10 167 (5%)	1 888 (1%)	652	215 453

PACKED AND SHIPPED

Grapefruit packed is now at the latest predicted figure, with some packing still taking place (most notably in Swaziland and KZN), it is likely that the final packed will be closer to the original estimate. With 600 000 cartons of mandarins still to go to meet estimate, it is likely that the soft citrus prediction will be spot on. Navel's looks to have been underestimated, while the Valencia Focus Group met on Wednesday and left their estimate unchanged.

To Week 33 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	12.6 m	13.6 m	12.2 m	12.8 m	10.5 m	12.6 m	12.2 m	14.2 m	13.7 m
Soft Citrus	7 m	6.5 m	7.2 m	5.5 m	5.9 m	7.5 m	7.9 m	6.8 m	6 m
Lemons	9 m	7.9 m	9 m	6.5 m	6.8 m	9 m	9.2 m	8.7 m	7.7 m
Navels	20.8 m	19 m	23 m	17.6 m	19.7 m	21.4 m	23 m	19.4 m	19.1 m
Valencia	24.1 m	22 m	26.5 m	13.3 m	15 m	41.3 m	41.5 m	38.5 m	35.3 m
Total	73.5 m	69 m	77.9 m	55.7 m	57.9 m	91.8 m	93.8 m	87.6 m	81.8 m

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