FROM THE DESK OF THE CEO (40/10)

Justin Chadwick (15 October 2010)

QUOTE OF THE WEEK ***"Nobody got anywhere in the world by simply being content" Louis L'Amour***

ACCEPT RESPONSIBILITY

Three news articles attracted my attention during the past week – the one article had a line that went "for the UK consumer high quality food at low prices is here to stay", while the other was an article on the Costa Rican pineapple industry. The Costa Rican article was balanced in that instead of placing all the blame on farmers for poor working conditions and environmental degradation, the blame was fairly and squarely placed at the door of traders, retailers and YOU the consumer. The final price paid by the UK consumer for Costa Rican pineapples is split between the retailer (41% - wow that is a big slice), multinational trader (38% - gee almost the same) and farmer/plantation owner (21% - but they do all the work). How can the trader and retailer justify such huge slices of the pineapple earnings? What risks do they take? We all see the enormous profits that these sectors make, and their return on capital. But that capital is going to be worthless if they continue to squeeze the poor farmer out of the equation. And then we get to YOU the consumer. There is a theory that the UK government gets votes through keeping food prices low (hence the knighthood's bestowed on retailer CEO's who assist governments in this endeavor). But the prices that consumers pay are just not sustainable – at present day prices, once the retailer has taken his enormous slice, and the greedy trader done the same, there just is not enough left for farmers to meet their social and environmental responsibilities. In the past 50 years UK consumers have decreased their disposable income spend on food from 33% to just 15%.

This issue is also covered in the latest Eurofruit magazine where a Belgian banana importer is quoted "supermarkets expect lower and lower prices even though transport, packaging and labor costs continue to rise – it is not sustainable". So the take home message is this – retailers and traders need to decrease their share by a combined 10%; consumers need to pay 10% more for food; and farmers need to get a 20% increase in their returns if we are to farm sustainably. In 2008 the world faced food riots, this has been put on pause as the recession decreased the demand for food, but the pause button will be released once economies recover. And if greedy traders/retailers and poor paying customers have put farmers the world over out of business expect some pretty nasty scenes. You see what is needed is focus on the triple bottom line – social, environmental AND economic.

In South Africa the problem is exacerbated by the land reform mess that has put previously productive farms in a state of neglect. These farms need to be revived so that food security is assured. South Africa is a resource poor country; we do not have the luxury of such mismanagement.

So Sir Retailer and King Customer – accept responsibility for the unhappy farm worker and the bleeding planet!!

REGISTRATIONS FOR 2011

All growers are reminded that registrations for phyto markets close on **31 OCTOBER 2010.** All information and forms are on www.cga.co.za. Please do not leave this to the last minute, or fail to register on time.

CHANGE OF VENUE AND MEETING NOTICES

Next **Wednesday 20 October the Co Coordinating Meeting** will be convened by DAFF and is due to start at **09h00 at Bee Eater Farm just outside Nelspruit**. We have over seventy people confirming attendance (what a pleasure to get such a good response) and have had to shift the venue to allow for the increased number – I hope this has not inconvenienced anybody. Agenda and directions on www.cga.co.za.

The **Standards Work Shop** will be held a day before the CMF – on **26 October at Olive Grove, Infruitec at 12h30**. The organizers have indicated that all citrus sectors (soft citrus, grapefruit, lemons, navels and Valencia) will be held together. A lunch will be served at 11h45 (please RSVP gloria@cga.co.za). Agenda and directions on www.cga.co.za.

Then on **27 October starting 10h00 at Olive Grove, Infruitec in Stellenbosch we wrap up with the FINAL CITRUS MARKETING FORUM (CMF) Meeting.** Agenda on www.cga.co.za.

After the CMF the **Japan Focus Group** and **Grapefruit Focus Group** will meet to discuss two important issues – the coordination of shipping to Japan, and the promotion campaigns over the past year. This meeting will kick off at about **14h00 at the CMF venue (Olive Grove, Infruitec).**

PACKED AND SHIPPED

To Week 40 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	12.8 m	14 m	12.5 m	13.7 m	11.2 m	12.6 m	12.5 m	14.2 m	13.7 m
Soft Citrus	7.3 m	6.8 m	7.5 m	6 m	6.4 m	7.5 m	7.5 m	6.8 m	6 m
Lemons	9.4 m	8.5 m	9.6 m	7.5 m	7.5 m	9 m	9.6 m	8.7 m	7.7 m
Navels	21.5 m	19.4 m	22.9 m	19.1 m	22.6 m	21.4 m	22.9 m	19.4 m	19.1 m
Valencia	41.7 m	37.8 m	45.6 m	32.6 m	36.6 m	41.3 m	45.8 m	38.5 m	35.3 m
Total	92.8 m	86.5 m	98.1 m	78.9 m	84.3 m	91.8 m	98.3 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