

FROM THE DESK OF THE CEO (43/10)

Justin Chadwick (5 November 2010)

QUOTE OF THE WEEK *"It was heartbreak tonight ... We weren't good enough and we got comprehensively outplayed. To our fans down in the Cape, sorry about that, it was just one of those nights"* Schalk Burger

CELEBRATE SUCCESS: 30-10 on 30/10... SHARKS FOREVER

ESTIMATES

Good information makes for good decision making. Often the problem is to sift the useful information from the large amount of information coming our way. Without doubt the availability of timeous and accurate crop forecasts is useful for all involved in the citrus industry. The CGA is responsible for the formulation of crop estimates at the beginning of the season (usually March), and the updating of predicted volumes as the season unfolds. What makes this task difficult is that the estimate is for the volume that will be harvested, packed and passed for export. This means that climatic variables which impact on the total crop volumes, market variables that impact on the decision on what to pack for export and inspection factors (quality, sanitary and phytosanitary) all have to be taken into account. Since taking on the responsibility of crop estimates back in 2005, the CGA has supplied the citrus industry with estimates and predictions during every season. The Variety Focus Group members are responsible for these activities – the members are chosen by their peers in those regions where the specific citrus type (grapefruit, lemons, soft citrus, navels and Valencia) are grown. The target is to be within 10% of the final packed and passed figure. This table gives the amount by which the estimate differed from the final actual figure (shaded blocks within 10%). Since 2008 oranges have been split between navels and Valencia.

	2005	2006	2007	2008	2009	2010
Grapefruit	-19%	+30%	-20%	+2%	+8%	Spot on
Soft Citrus	-25%	+7%	-18%	+1%	+9%	Spot on
Lemons	+13%	Spot on	+4%	-6%	+8%	-7%
Oranges	Spot on	+18%	-18%	-8% navel	+11% navel	-7% navel
				-3% valencia	+12% valencia	-12% valencia
TOTAL	-5%	+17%	-17%	-5%	+10%	-8%

The improvement in ability to estimate is evident by excellent estimates since 2008. In the past three years only three of fifteen estimates have been outside the 10% target; and then only by 1 or 2%. Congratulations to the VFG members!!

This year the CGA decided to incentivise VFG members to improve their estimates, with a prize for the member who was closest to the final actual packed and passed. Charlie van Veyeren (Onderberg, Grapefruit) was just 0.78% under with his regions estimate. The next four estimates were within 2% of the final actual – Hannes Joubert from Sundays River, lemons just 1.04% under, Piet Smit, grapefruit, Letsitele 1.07% over, Kallie Schoeman, Senwes navels just 1.46% over and Pieter Nortje Sundays River navels just 1.48% over.

In 2005 the CGA contracted Dux Business Solutions to develop a long term (20 year) crop projection model. This model was then updated in 2006 and 2007. This has proved to be a valuable tool in determining capacity requirements and for future planning. The following table shows how close the original model (2005) was to the realized crop, in particular the Valencia and navel projection has been excellent. Subsequent reviews have not been as good as the original model.

	2005	Diff	2006	Diff	2006	Diff	2010
Grapefruit	14.8 m	+18%	15.9 m	+27%	17 m	+36%	12.5 m
Soft Citrus	8 m	+6%	8.4 m	+12%	9.9 m	+32%	7.5 m
Lemons	12.1 m	+26%	11.1 m	+16%	10.8 m	+12%	9.6 m
Navels	21.1 m	-8%	21.8 m	-4%	23.4 m	+2%	22.9 m
Valencia	44 m	-5%	46.2 m	0%	47 m	+1%	46.5 m
Total	100 m	+1%	103.4 m	+5%	108.1 m	+9%	99 m

PACKED AND SHIPPED

To Week 43 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	12.2 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	7.1 m	7.5 m	7.5 m	6.8 m	6 m
Lemons	9.6 m	8.6 m	9.6 m	7.6 m	9.4 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	43 m	38.4 m	46.5 m	35.1 m	45.9 m	41.3 m	46.5 m	38.5 m	35.3 m
Total	94.2 m	87.2 m	99 m	81.5 m	97.2 m	91.8 m	99 m	87.6 m	81.8 m

* shipped 2010 figures based on new conversions to take high cube pallets into account

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