

FROM THE DESK OF THE CEO (6/11)

Justin Chadwick (18 February 2011)

QUOTE OF THE WEEK “Tell me and I'll forget; show me and I may remember; involve me and I'll understand.” Chinese Proverb

CLEMENTINE GROWERS' – KNOW YOUR PRODUCTION AND PACKING COSTS

A detailed survey of Clementine growers/packers/exporters in the Western Cape indicated that the costs of producing and packing Clementine's (ex works) is between R95 and R105 per 15 kilogram carton [this is before transport to the port, port costs, shipping etc.]. This is borne out by the latest Fresh Produce Journal citrus supplement which quotes research done by the Department of Agricultural Economics which indicates that in the past two decades the shelf price of Clementine's has fallen while production costs have increased.

So unless you are a philanthropist like Oprah or Bill Gates you will need this amount just to cover costs (i.e. before beer money and rugby tickets). The Soft Citrus Focus Group (SCFG) do have a concern that many growers are not aware of their production and packing costs – and as a result are achieving unsustainable returns. In fact reality bears this out as the volume of Clementine's exported from South Africa has dropped by 9% over the past two years (from 3,1 million 15Kg cartons in 2008 to 2,86 million cartons in 2010). A quick look at the retail price indicates that there should be enough of a return to sustain the grower and allow value added profit in the chain. Growers are urged to analyse their costs – CGA is ready to assist in a benchmarking exercise should this be required; this will also be discussed at the next SCFG meeting. Clementines are an excellent fruit – let's make sure that we do not lose it from the South African citrus basket.

GROWER ROADSHOWS AND PACKHOUSE WORKSHOPS

Paul Hardman's group kicked off the roadshows this week with presentations in Oranje Rivier and Vaalharts regions. The Oranje Rivier was almost a full house – which always seems to be the case in that region. The Vaalharts region has seen many growers diversify out of citrus, with the surviving growers attending in force. Listed below are the remaining meetings' particulars, agendas can be found on www.cga.co.za.

Paul Hardman's Group: 21/2 **Limpopo River** – 13h00: Riamara Lodge; 22/2 **Zimbabwe** – 09h00: B K Cawood Estates (Bristow); 23/2 **Letsitele** – 09h00: The Junction; 23/2 **Hoedspruit** – 15h00: Hengelklub; 24/2 **Senwes** – 10h00: Kingdoms's Lodge; 1/3 **Western Cape** – 14h30: GHS Saal.
Justin Chadwick's Group: 22/2 **East Cape Midlands** – 09h00: Kat River Citrus Boardroom; 23/2 **Sundays River** - 09h00: Kirkwood High School Supporters Clubhouse; 24/2 **Patensie** – 09h00: Gamtoosvallei Patensie Kerkzaal; 28/2 **Nkwalini** – 10h00: Farmers Hall; 1/3 **Pongola** – 09h00: Mvutshini Estates; 1/3 **Swaziland** – 14h00: United Plantations Tambuti; 2/3 **Onderberg** – 14h00: MSK; 3/3 **Nelspruit** – 10h00 CRI; 10/3 **Southern KZN** – 14h00: Victoria Club.

PACKHOUSE WORKSHOPS: **East/Western Cape** 2&3/3 Villa Via Hotel, Gordons Bay.

**GROWERS LEVIES ARE USED TO FUND CGA, CRI AND CITRUS ACADEMY ACTIVITIES.
ENSURING A GLOBALLY COMPETITIVE SOUTHERN AFRICAN CITRUS INDUSTRY**