FROM THE DESK OF THE CEO (12/11)

Justin Chadwick (1 April 2011)

QUOTE OF THE WEEK "*Don't give cherries to pigs or advice to fools." ~Irish Proverb*

SOUTHERN AFRICAN CITRUS ESTIMATE FOR 2011

The Citrus Marketing Forum confirmed the estimate prepared by the grower's variety focus groups, with an expectation that 94.5 million 15kilogram cartons will be packed and passed for export in 2011. This is 4.5% down on 2010's record crop of 99 million cartons, and similar to the 2008 export volume of 94.2 million cartons.

Soft Citrus [figures in 15 kilogram carton equivalents]

Satsuma exports started early in 2011, with the first shipments leaving in week 8. The total Satsuma estimate for 2011 is 2.2 million cartons, 13% up on 2010's 1.9 million cartons. The most significant differences are out of the Nelspruit region, as new plantings begin to mature, and recovery in the Patensie region. **Clementine** volumes are estimated to decrease from 2.9 to 2.6 million cartons (an 8% decrease). **Mandarin** volumes for 2011 are estimated at 3.1 million cartons, up from 2.7 million in 2010 – a 14% increase. This year the soft citrus focus group did an additional assessment on mandarin volumes – with the 3.1 million cartons divided into nova's (1.1 million), late mandarins (1.7 million) and other (250 000 cartons). Most of the increased volume is from the Eastern Cape region. This results in a **total soft citrus** export volume for 2011 of 7.9 million cartons, up 5% on the 7.5 million carton volume of 2010.

Grapefruit [figures in 17kilogram carton equivalents]

As anticipated grapefruit is showing a recovery after low volumes experienced in 2010. All grapefruit volumes are in 17 kilogram equivalents, as this is more readily recognised by the trade. **Red grapefruit** is estimated to reach 10.7 million cartons, up 18% on 2010's 9.1 million cartons, and slightly up on 2009's volume of 10.1 million cartons. It is anticipated that the harvesting will begin a week or two earlier than in 2010, with sizes being normally distributed (as opposed to the larger sizing in 2010). This should fit in well with the earlier end forecast for the northern hemisphere season. **White grapefruit** shows a slight recovery (2.1 million in 2011 as opposed to 1.9 million cartons in 2010), but continues to decline when stacked up against 2009 (2.5 million cartons). **Total grapefruit** volumes are estimated at 12.8 million cartons, a 16% increase over the 11 million packed for export in 2010 (similar to 2009's volume of 12.6 million cartons).

Lemons [figures in 15 kilogram carton equivalents]

Lemon volumes are expected to track very closely to 2010's final packed and passed for exports – 2011 estimate is 9.76 million cartons; 2010 actual was 9.66 million cartons (a 1% increase). There is a reduction in volumes out of the Senwes region (Groblersdal /Marble Hall area) due to hail; an increase in Sundays River (which accounts for in excess of 50% of South African lemon exports).

Navels [figures in 15 kilogram carton equivalents]

After a number of years of sustained growth, navels estimates have come off in 2011 – some 15% lower. Whereas 2010 resulted in a record 22.9 million cartons, the estimate for 2011 is 19.4 million cartons. Most of this reduction is in the early navel period, where hail impacted on the volumes out of Senwes (Groblersdal/Marble Hall area). The distribution between early, late and Cara Cara navels in 2011 is 14.1 million, 4.7 million and 574 000 cartons as compared to 2010's 17.4 million, 5 million and 618 000 cartons. Eastern and Western Cape account for the most navels, and all growing regions in these provinces predict bigger sized fruit.

Valencia [figures in 15 kilogram carton equivalents]

As in the case of navels, the Valencia Focus Group anticipates a reduced export volume in 2011. The 2010 valencia crop was a record 46.5 million cartons – in 2011 this is expected to reduce by 8% to 42.9 million cartons. Although the harvesting of Valencia is still some way off, early indications are that the crop in the north (accounting for the majority of exports) will be two weeks early with normal sizing. Once again Senwes (Groblersdal/Marble Hall area) is influenced by hail, down some 1.5 million cartons on last year's actual volumes. All regions have experienced a reduction in expected export volumes.

To put this into perspective, South African orange volumes will drop by 106 000 tons – the average annual orange exports over the past 7 years from Uruguay was 77000 tons, from Australia 114000 tons, Chile 27000 tons & Argentina 143000 tons.

Total Estimate for 2011 [figures in 15 kilogram carton equivalents]

In order to get to a total estimate of volumes packed and passed for export grapefruit volumes have been converted to 15 kilogram equivalents.

	Actual 2008	Actual 2009	Actual 2010	Estimate 2011
Grapefruit	12.8 m	14 m	12.5 m	14.5 m
Soft Citrus	7.3 m	6.8 m	7.5 m	7.9 m
Lemons	9.6 m	8.6 m	9.6 m	9.8 m
Navels	21.5 m	19.4 m	22.9 m	19.4 m
Valencia	43 m	38.4 m	46.5 m	42.9 m
Total	94.2 m	87.2 m	99 m	94.5 m

MAPUTO WORKSHOP

Maputo Port is considered a strategic development area for citrus exports from the northern region. High production, transport and shipping cost increases are imminent for 2011, the northern region is better aligned to Maputo geographically to reduce the cost of transportation. The extra distance to the Durban port is costing the northern region an additional R80million in transport charges, an average of R3.00 per carton can be saved. An industry workshop will be held at the CRI in Nelspruit on 6th April 2011 starting from 10h30am, the purpose of this workshop is to identify port developments and key constraints to achieve better utilization of the port in the coming years. RSVP to mitchell@cga.co.za

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