

FROM THE DESK OF THE CEO (18/11)

Justin Chadwick (13 May 2011)

QUOTE OF THE WEEK "Contrary to general belief, I do not believe that friends are necessarily the people you like best, they are merely the people who got there first" – Peter Ustinov

JAPAN

The first break bulk vessel with about 4 400 pallets has been loaded and sailed for Japan, leaving yesterday at midday. The second vessel is due in Durban tomorrow. The Japanese inspector is happy with the way inspections are progressing and has returned to Japan – and so the season is fully underway. Exporters are reminded that Durban, Port Elizabeth and Cape Town can all be used for Japan exports; however those using ports other than Durban need to make prior arrangements with Faisal Asmal from CGA on 082 679 6082. Paul Hardman has also issued a reminder to Japanese exporters that Japan SEP levies were due in by 11 May 2011 – those who have not paid by will not have their fruit inspected.

TAX CLAIMS

One of the decisions taken by NEPAD in 2006 was to increase the spend on Research and Development (R&D) to 1% of GDP. In order to incentivise private R&D expenditure SARS allows a claim of 150% on this type of expenditure. So growers can claim back 150% of the R&D portion of the CGA levy. Robert Miller has posted a notice on the CGA website (www.cga.co.za) outlining how to go about claiming and detailing the amount that can be claimed (and you can claim retrospectively to 2006). Queries can be directed to Robert on 031 7652514. **Growers have been successful in recovering these amounts.**

COMMENTARY: WHY BOTHER WORKING?

In the UK the gross amount collected from income tax (paid by those working) is almost exactly the amount paid out on unemployment benefits (paid to those not working). In the USA there are twice as many people employed by government (22.5 million) than in manufacturing (11.5 million). This is a reversal of the 1960's when 15 million worked in manufacturing and 8.7 million were employed by government. In South Africa there are 6 million registered individual taxpayers and 14 million people receiving social grants. How long are the few who are prepared to work going to be able to carry the many who depend on them? Will we eventually find the people who work getting fed up and staging an uprising like the pro democracy events in the Middle East? As one US commentator says we have changed from a nation of makers to a nation of takers. There was a time when taxes were used to do collectively what individuals could/would not do on their own, for their common good. Such as build roads, provide medical care, provide proper education, fight crime, defend borders, keep cities clean, provide safe drinking water, provide adequate energy resources, treat sewerage etc. Taxes are used differently now – and not necessarily to the benefit of he who pays.

PACKED AND SHIPPED 2011

Satsuma harvesting is coming to an end with 1.6 million of the 1.7 million cartons (as per last prediction on 5 May) having been packed and passed for export. **Clementine** harvesting is now in full swing. The UK has the most appetite for Satsuma – with 51% of **soft citrus** exported there to date (2010 48%). Northern Europe at 24% (2010 25%) and Russia at 11% (2010 16%) are also significant soft citrus destinations. The European Union (UK, southern and northern Europe) have received 76% of **grapefruit** shipments (2010 39%) - this has been at the expense of Russia which in 2010 had received 41% of grapefruit shipped to end week 18 (2011 5%). As usual in the early season most **lemon** exports have been to the Middle East (2011 45%; 2010 48%). It's interesting that soft citrus and lemon packed figures have been identical to week 18 over the past 3 years.

To Week 18 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed	Final Shipped
SOURCE: PPECB	2009	2010	2011	2010	2011	2011	2011	2010	2010
Grapefruit	2.8 m	2.4 m	2.9 m	0.3 m	1.6 m	14.7m	15.2m	12.5m	12.2m
Soft Citrus	1.8 m	2.5 m	2 m	1.8 m	1.7 m	7.9m	7.4m	7.5m	7.1m
Lemons	1.8 m	2.5 m	2 m	1.2 m	1.5 m	9.8m	9.7m	9.6m	9.4m
Navels	0.5 m	1.1 m	0.6 m	0.2 m	0.2 m	19.4m	19.3m	22.9m	22.6m
Valencia	-	-	-	-	-	42.9m	42.9m	46.5m	45.9m
	6.5 m	8.5 m	7.5 m	3.5 m	5 m	94.7m	94.7m	99m	97.2m

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