FROM THE DESK OF THE CEO (32/11)

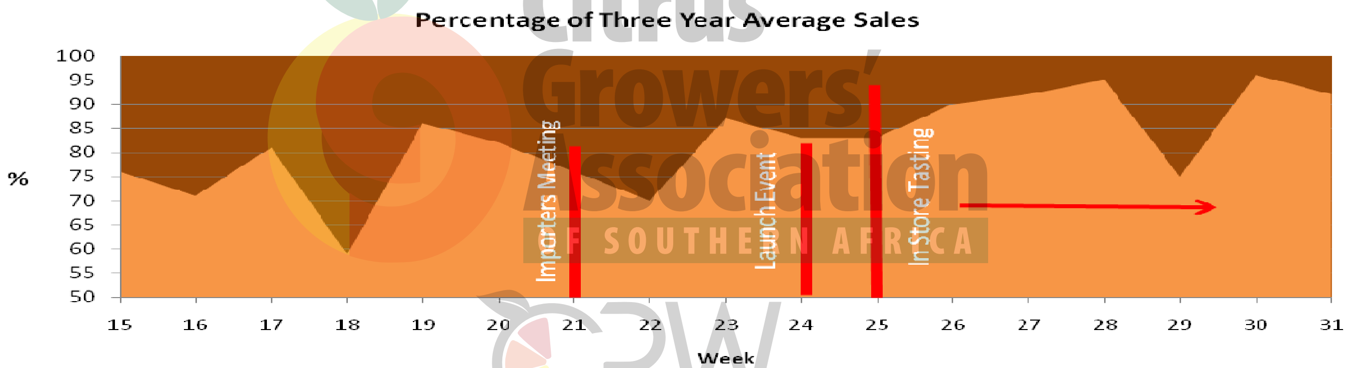
Justin Chadwick (19 August 2011)

QUOTE OF THE WEEK "Knowledge is knowing a tomato is a fruit; wisdom is not putting it in a fruit salad"--Peter Kay

JAPAN MARKET DEVELOPMENT FOR GRAPEFRUIT

The Japan grapefruit campaign started with a meeting between Market Makers (conducting the campaign for the South African grapefruit growers) and importers of grapefruit and other stakeholders in week 21. The objective was to discuss the planned campaign, get input from importers around the plan, and get buy in for the campaign. This was followed by a glittering launch event at a hotel in Tokyo. The Grapefruit Focus Group was represented by Kobus van Staden and Antoine Rouillard (a report prepared by Antoine and Kobus is available on request). This event marked the arrival of South African grapefruit, and created a buzz of expectancy around the availability of fresh grapefruit about to hit the supermarket shelves. In week 25 in-store tastings began. In support of the campaign are point of sale material, a website with links to the South African grapefruit spokeswoman's blog, consumer magazine exposure and TV exposure. The CGA has been tracking sales of grapefruit in the Japanese market. On a weekly basis the sales rate in 2011 is compared to the three year average weekly sales figure. Although sales have not been at the level of the three year average, they have improved as a percentage of the average as the year has progressed. Whereas sales in the early part of the year were 70 to 80% of the three year average, they are now at the 90 to 95% level. Given the events in Japan this year the improvement in sales rates is a good sign. Japan import statistics also reveal that on a CIF basis the price has increased by 9% in June (compared to June 2010).

The grapefruit promotion campaign is a two year project (2010 and 2011). Grapefruit growers will need to start thinking about the merits of continuing with this campaign in the future. Growers are urged to discuss this in the regions, and to let their Grapefruit Focus Group representative know how they would like to proceed.



PACKED AND SHIPPED 2011

A grower commented that it is a really bad season when the only good thing that can be said is that export volumes are lower than normal!! In most seasons one hopes for a few things to go right; the currency to weaken; markets to be buoyant; input costs to be reasonable; transport rate to be favorable or good volumes of sound fruit. Not much has gone right for exporters from South Africa in 2011. And this seems to be the trend in all citrus exporting countries. This week's media highlighted stories from the northern hemisphere under the heading "Spanish Citrus endures Euro 60 million loss" where 2 000 to 3 000 hectares of citrus will not produce in the next season due to "technical bankruptcy", with returns not covering production costs. Across in Australia the high dollar has seen export markets crippled; and with 30% more fruit on the domestic market returns are poor.

There are some who have stuck their necks out and are saying that the markets may improve in late August and September as stocks get cleared and the markets look for product.

To Week 31 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	13.1 m	11.7 m	15.3 m	11.6 m	15 m	14.7m	15.3 m	12.5m	12.2m
Soft Citrus	6 m	6.6 m	6 m	5.8 m	5.9 m	7.9m	7.3 m	7.5m	7.1m
Lemons	7 m	8.5 m	8.8 m	7.1 m	7.7 m	9.8m	9.5 m	9.6m	9.4m
Navels *	17.7 m	21.4 m	18.2 m	OR	ANGES	19.4m	19.2 m	22.9m	22.6m
Valencia*	12.8 m	15.3 m	11.3 m	29.2 m	27 m	42.9m	41.8 m	46.5m	45.9m
	56.6 m	63.5 m	59.4 m	53.7 m	55.6 m	94.7m	93.2 m	99m	97.2m

*** Please note 2011 shipped figures for oranges are for ALL oranges – PPECB unable to supply reliable shipped figures.**

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