FROM THE DESK OF THE CEO (37/11)

Justin Chadwick (23 September 2011)

QUOTE OF THE WEEK *"There is nothing so useless as doing efficiently that which should not be done at all." Peter Drucker, management consultant, professor, and writer (1909-2005)*

SPECIAL EXPORT MARKET REGISTRATION

DAFF have finalized the application forms that must be completed to register for phytosanitary markets for citrus exports in 2012. Growers should note point 9 of the requirements for PUC registration (PUCRegisAppsForm2011) which addresses the declaration of intent around specific fruit fly monitoring. Copies of the documents are on the DAFF (www.daff.gov.za > Divisions > Plant Health> Exporting from SA > Phytosanitary Registration for Export to the Special Markets); and CGA websites (www.cga.co.za) under the CMF members section. **Closing date for registrations 21 October 2011**.

CONSUMER ASSURANCE VISIT TO EUROPE AND UK

Vaughan Hattingh and Paul Hardman returned from their annual European visit last week and provide some general feedback. **Objective**: The overall objectives of the trip could be summarized as: 1) Meet with regulatory authorities to determine the very latest requirements from a Food Safety (particularly MRL but also microbial contamination) and consumer assurance perspective. 2) Engage retailers in order to dissuade them from pursuing residue requirements different from the legal MRLs, and that are impractical at the production level, 3) demonstrate that SA is committed to and is being proactive about reducing dependence on plant protection products where possible and the challenges associated with this, and 4) meet with the CGA's representative and SA Embassy in Brussels and the UK High Commission to update them on SA-EU SPS regulatory issues and discuss the way forward. **General Impressions:** Despite the threat of a "double-dip" recession retailers continue to drive a wide range of Consumer Assurance initiatives and prescribe these as part of their buying and competiveness strategies. Funds (profits) to implement these strategies have been curtailed, so planning horizons have shifted out. Restrictions on plant protection products are not as prominent a "point of difference" now while aspects like ethical trade, environmental protection (e.g. water footprint, carbon footprint, deforestation, etc), reducing waste and technical support are being elevated in importance. South Africa has positioned itself well to lead in these areas. Notably retailers continue to investigate alternative supply chain models. It does remain a concern that mainland European retails have not relaxed their restrictions on the number of plant protection products used and restrictions on residue levels (e.g. 1/3 of the MRL). This is a major threat to the sustainability of the SA citrus industry. The problems arising out of these strategies have been communicated but perhaps more needs to be done on a political/commercial level. Support and willingness from the SA Embassy and the UK High Commission to get involved on issues impacting the SA citrus industry is most appreciated. More should be done to communicate and engage with these official channels. Fortunately no immediate threats or problems presented themselves but planning and research is necessary to ensure continued ability to supply the market with good quality fruit in three to four years time when some important chemicals could be withdrawn.

PUSH FOR RAIL IN LETSITELE

Yesterday Letsitele hosted the Limpopo MEC for Roads and Transport Mme Pinky Kekana at Group 91 Uitvoer. A good turnout of senior officials from Limpopo Economic Development, Agriculture, Transnet Freight Rail, Development Chamber and Growers was seen. The CGA Chairman Mr Fanie Viljoen formally welcomed the MEC and delegates followed by an address by the MEC, the MEC handed a signed copy of the MOU between her department and TFR to the CGA Chairman. The aim of the MOU is to secure better facilitation between them to revitalize rail transport for key commodities, and railing citrus from Letsitele is at the top of the agenda. The main topic of discussion centred around the citrus supply chain issues facing the Limpopo growers and in particular the strong call for mediation by the Government to address the shortcomings of rail transport in the province. A reassuring message comes from the MEC who committed her department to immediate action on the issues raised such as, addressing road deterioration, mediating the transfer of Tzaneen rail operations to Letsitele and addressing rail price, equipment and service issues. The MEC proposed a return visit to Letsitele in the near future along with Transnet Freight Rail CE Siyabonga Gama to assess the requirements of the region. A challenge was given to the department to have the requirements met by the commencement of the 2012 season.

The CGA would like to extend gratitude to Burgert van Rooyen and family for hosting this event. Well done to Mitchell Brooke for the planning and success of the initiative.

PACKED AND SHIPPED

To Week 37 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	13.9 m	12.5 m	16.1 m	12.5 m	16.1 m	14.7m	16.1 m	12.5m	12.2m
Soft Citrus	6.8 m	7.5 m	6.9 m	6.7 m	6.7 m	7.9m	7.3 m	7.5m	7.1m
Lemons	8.3 m	9.5 m	10.6 m	8 m	9.7 m	9.8m	10.6 m	9.6m	9.4m
Navels	19.4 m	22.9 m	20.7 m	53.8 m	47.6 m	19.4m	20.7 m	22.9m	22.6m
Valencia	34.3 m	41.6 m	33.3 m			42.9m	39.2 m	46.5m	45.9m
	82.7 m	94 m	87.6 m	81 m	80.1 m	94.7m	93.9 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