FROM THE DESK OF THE CEO (40/11)

Justin Chadwick (14 October 2011)

*QUOTE OF THE WEEK "**The referee is going to be the most important person in the ring tonight besides the fighters**" George Foreman*

GLOBAL CITRUS TELECONFERENCE

On 30 September citrus representatives from around the globe linked by telephone conference to discuss the end of the southern hemisphere season, and the expectations for the forthcoming northern hemisphere citrus season. As usual the meeting started with a declaration regarding what was to be discussed, and the fact that the discussions did not conflict with competition or anti-trust legislation. The full minutes and press release from the meeting are made available to all, and can be picked up off the CGA website www.cga.co.za. The teleconference is convened by Freshfel and SHAFFE – and included representatives from Spain, Italy, Israel, Turkey, USA, Morocco, Greece, Cyprus, Australia, Argentina, Uruguay and South Africa.

All **southern hemisphere** delegates reaffirmed that 2011 had been a particularly difficult citrus season, with climatic abnormalities (drought, frost and hail), sluggish market demand, high cost of production/distribution and strong currencies being common concerns. In particular suppliers from the southern hemisphere lamented the falling demand for grapefruit, with stocks in the market still at high levels.

A snap survey of suppliers ranked concerns as follows -1) Price return; 2) Financial/economic crisis; 3) Declining consumption; 4) Food safety and 5) Competition from other food products.

The **northern hemisphere** 2011/12 season is interesting in that EU Mediterranean citrus producing countries are generally expecting a decline in production, while non EU countries in the region are expecting increases. The sum total is that production should be the same as 2010/11 for the Mediterranean basin.

Amongst the EU Mediterranean countries **Spain** anticipates a decrease in total citrus production of 11% (soft citrus down 13%, lemons down 7%, oranges down 10%; with grapefruit up 6% influenced by new plantings 3-4 years ago), the season is expected to start earlier for soft citrus, grapefruit and oranges while lemons would be harvested at the usual time. Within the Spanish soft citrus sector fortunes differ – with Satsuma down 20%, clementines down 8% and mandarins and hybrids down 22%. In the lemon category the decline will be due to less Fino variety; while Verna variety is expected to increase by 8%; **Cyprus** will be down 4% (soft citrus down 7%, lemons up 11%, grapefruit down 12% and oranges same as the previous year). Harvesting is due to start in week 42. **Italy** bucks the trend with an expected 8% increase in total citrus production; which is really a recovery after a poor 2010/11 season (soft citrus down 9%, lemons on a par with last year and oranges up 18% - back to 2009/10 levels). **Greece** expects a 19% decrease in production (led by oranges decreasing by 23%, soft citrus on par with last year and an increase of 20% in lemons – all be it off a low base).

Among the non EU Mediterranean countries **Moroccan** production increases by 5% (oranges up 12%, lemons on par with last year and easy peelers down by 2%); **Turkey** predicts an increase of 11% - now producing almost 3.5 million tons of citrus (oranges up 10%, lemons up **25%,** grapefruit up **40%**, and soft citrus down 15%); **Israel** anticipates 30% higher production (oranges almost doubling after a poor 2010/11, back to normal levels, soft citrus up 22%, lemons up 26% and grapefruit up 12%). Unfortunately information was not sent from **Egypt –** which is becoming a significant supplier from that region. Obviously it is early in the season – and conditions could change as we enter the important months of October and November.

CITRUS MARKETING FORUM (CMF)

Citrus stakeholders are reminded about the final CMF for 2011 to be held on 3 November 2011 at Olive Grove, Infruitec in Stellenbosch starting at 10h00. Please confirm your attendance to gloria@cga.co.za.

PACKED AND SHIPPED

To Week 40 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	14m	12.5	16.5	13.1 m	16.4 m	14.7m	16.4 m	12.5m	12.2m
Soft Citrus	6.8 m	7.5 m	6.9 m	6.8 m	6.9 m	7.9m	7.3 m	7.5m	7.1m
Lemons	8.5 m	9.6 m	10.7 m	8.2 m	10.2 m	9.8m	10.6 m	9.6m	9.4m
Navels	19.4 m	22.9 m	21.2 m	63.9 m	62.6 m	19.4m	21.2 m	22.9m	22.6m
Valencia	37.8 m	45.7 m	41.1 m			42.9m	41.1 m	46.5m	45.9m
	86.5 m	98.2 m	96.4 m	92 m	96.1 m	94.7m	96.6 m	99m	97.2m

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

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