

FROM THE DESK OF THE CEO (44/11)

Justin Chadwick (11 November 2011)

QUOTE OF THE WEEK “Even if you win the rat race, you are still a rat” Anon

DURBAN PORT UPGRADE

It is extremely frustrating when you are forced to wait at the “Stop-Go” due to road repairs, or when the traffic is reduced to a crawl as three lanes merge into one as the other two are resurfaced or repaired. However, once the work is complete it all seems worth it as you whiz along the newly completed roads. Users of Durban port are probably going to face similar frustration as the port goes through some serious upgrading: Mitchell Brooke reports further:

Durban Port Upgrade: due to the increased size and draft of container ships calling the Durban port, a programme will begin in early 2012 to take one berth at a time out of service at DCT's North Quay (Pier 2), and rebuild the quay wall to allow deeper draught ships to call alongside. The port anticipates that the temporary decommissioning of each berth will displace capacity for 400,000 TEU's annually (15% of Pier 2 capacity). Some of this capacity will be re-allocated by temporarily transferring container handling capacity to the City Terminal on the Point, berths A-D, in addition to handling more containers at Maydon Wharf, which is being utilized at present. The port is also in discussion with shipping lines about diverting containers to Port Elizabeth and Ngqura. Last week delegates from the citrus industry were hosted by Maersk to discuss the foreseeable constraints that this will likely add to the already burgeoning problems Durban shippers face during peak season. It was indicated that berths at Maydon Wharf were being considered for core services and this could be beneficial for container staging. Utilizing alternative ports such as Port Elizabeth, Ngqura and Cape Town were discussed but the added cost of routing through those ports would be too costly. Another alternative was considered and that was the stuffing and railing of containers from the inland regions, but the rail capacity and unreliability of rail to meet such a demand was reiterated by the shippers present - but not totally ruled out. Perhaps shipping more break-bulk volume to Europe through Maputo is the most viable option to relieve container pressure in Durban, hopefully there will be a better solution provided by the lines next season. Considering the transshipment aspect (via Durban) when routing containers through Maputo this option could have its limitations as was seen this year. Given the magnitude of the possible implications of such developments, or even positive spinoffs mentioned by the shipping lines, more detail will be sought on this issue and communicated prior to the commencement of the 2012 citrus season. In the mean time it was concluded that Maersk would initiate an industry session with Durban Container Terminal management for the benefit of acquainting shippers to the operational issues and turnaround strategies planned by Transnet. In turn the industry might have an opportunity to voice concerns regarding the operational and financial impact to the industry based on the poor performance from the terminals experienced of late.

WHAT IS OUR PROBLEM

The following statement by the late Howard Zinn is pretty thought provoking:

*You are saying our problem is **civil disobedience**, that is not our problem.*

*Our problem is **civil obedience**.*

Our problem is the number of people all over the world who have obeyed the dictates of leaders of their governments who have gone to war, and millions have been killed because of this obedience.

Our problem is that people are obedient all over the world, in the face of poverty and starvation and stupidity, and war and cruelty.

Our problem is that people are obedient while the jails are full of petty thieves, and all the while the grand thieves are running our country.

Now, I am not suggesting that we all march “JuliAss (ag shame) like” to Union buildings, but I am suggesting that we do not stand by while injustices are committed. Civil obedience has led to the disaster that is Zimbabwe; civil obedience allows fraud and corruption to run rampant in Africa (and here in our beloved South Africa). Instead of listening to the rallying call of politicians “yes we can”; should we not from time to time stand up and say “no you cannot”.

PACKED AND SHIPPED

To Week 44 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	14 m	12.5 m	15.8 m	12.2 m	15.3 m	14.7m	15.8 m	12.5m	12.2m
Soft Citrus	6.8 m	7.5 m	6.9 m	7.1 m	6.7 m	7.9m	6.9 m	7.5m	7.1m
Lemons	8.7 m	9.6 m	10.8 m	9.4 m	10.2 m	9.8m	10.8 m	9.6m	9.4m
Navels	19.4 m	22.9 m	20.7 m	68.5 m	61.7 m	19.4m	20.7 m	22.9m	22.6m
Valencia	38.5m	46.5 m	42.3 m			42.9m	42.3 m	46.5m	45.9m
	87.4 m	99 m	96.5 m	97.2 m	93.9 m	94.7m	96.5 m	99m	97.2m

* Please note 2011 shipped figures for oranges are for ALL oranges – PPECB unable to supply reliable shipped figures; some adjustments done this week to correct shipped figures.

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ENSURING A GLOBALLY COMPETITIVE SOUTHERN AFRICAN CITRUS INDUSTRY**