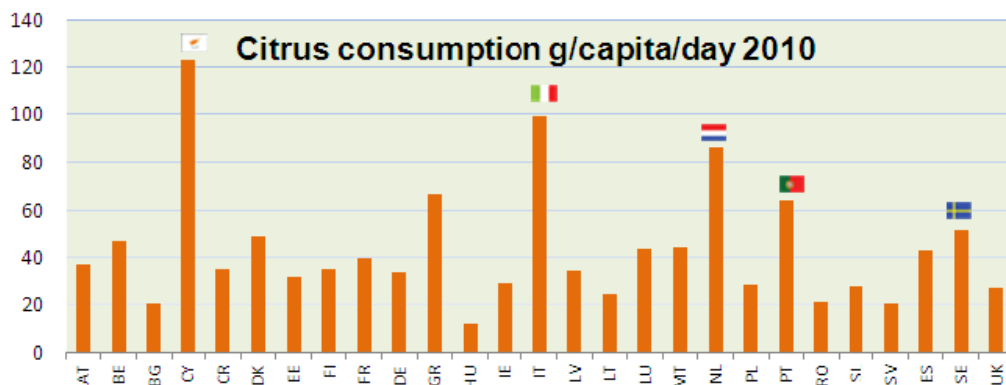


## FROM THE DESK OF THE CEO (9/12)

Justin Chadwick (9 March 2012)

**MAKES YOU THINK** "If vegetarians eat vegetables, what do humanitarians eat?"

### CITRUS CONSUMPTION IN THE EU27



A major shoe distributor sent two salesmen to a remote area of Africa to see if they could drum up sales for their shoe products. Salesman number one sent a message back "Big problem – nobody wears shoes – no likelihood of sales". Salesman number two sent back a message "Good news – huge potential for sales – nobody wears shoes". Looking at the graph above salesman number one would say there is very little chance for citrus sales in Bulgaria, Hungary, Poland and Romania – while number two would say the opposite. Number one would push the idea that Cyprus, Italy, Netherlands, Portugal and Sweden show the most promise, with number two disagreeing.

Whatever your view, the figures prepared by Freshfel in their consumption monitor are useful for those planning their export strategy. The fact that Cypriots (I hope I got that right) can consume 120 grams a day while Hungarians less than 10 must indicate some growth potential.

Citrus consumption in the EU27 as a percentage of the entire fruit basket has been at around 20% since 2005. So one out of every 5 fruit items purchased has been a piece of citrus – this is quite a good showing considering the vast array of fruit items now available.

But... the average consumption in grams per day per capita in the EU27 is only at 44 – down from a high of 53 in 2008 (and from 51 in 2006). One just needs to do the maths to see what 7 to 9 grams a day per person in the EU27 would mean in terms of total volume consumed. So there is good reason to promote consumption – and there is good evidence that it could result in higher volumes sold. The study conducted by Hebert in the US showed that people consumed citrus firstly because of taste, and secondly because of health benefits. So we have a tasty and healthy product – surely we can get more people to enjoy it!!!!

At the SHAFPE/Freshfel meeting in Berlin the following points were made in pursuit of higher consumption:

- Communicate the message of the value that citrus fruit presents compared to other agri food products.
- Communicate the health benefits of citrus.
- Within the EU change the CAP to include fruit in school feeding schemes, promotions etc.
- Balance markets to avoid excessive overlapping and consequent market collapse.
- Innovate in everything – new citrus products, new ways to package citrus, deliver citrus, present citrus, promote citrus
- Supply chain debate on (un)fair practices. Bring ethics back into the entire supply chain. Drive out monopolies and unfair practices.

### VIETNAM

The fruit industries in South Africa received good news when it was confirmed that South Africa has been approved to export foodstuffs of plant origin to Vietnam. This shows the strength of a public private partnership with DAFF, DIRCO and industries working together to get this result. Paul Hardman was singled out by DAFF for his professional input and assistance.

### CGA CULTIVAR COMPANY (CGACC)

The CGACC Board met for the first time on Thursday. Barend Vorster was elected as Chairman of the Company.

### MEETINGS IN MARCH

Tuesday next week (13 March) the CGA Board will meet to finalise the budget for 2012/3 and discuss the funding of CGA activities for the period 2013 to 2016.

14 March is the date for all the Variety Focus Groups to meet. The export volume estimate will be discussed at these meetings. (Venue: Willow Park Hotel Conference Centre) This estimate will then be presented to the Citrus Marketing Forum (CMF) to be held the next day (15 March). (Venue: Southern Sun Garden Court)

**GROWER FUNDED ACTIVITIES OF THE CGA, CRI AND CITRUS ACADEMY  
ENSURE A GLOBALLY COMPETITIVE SOUTHERN AFRICAN CITRUS INDUSTRY**