FROM THE DESK OF THE CEO (10/12)

Justin Chadwick (16 March 2012)

MAKES YOU THINK "Tell a person that there are 400 billion stars and he'll believe you. Tell him a bench has wet paint on it and he has to touch it."

CITRUS MARKETING FORUM (CMF)

There was a good turnout of citrus industry representatives at Garden Court Hotel as the CMF returned to its roots. As usual at the first CMF of the year the 2012 estimates were presented. These estimates had been prepared by the Variety Focus Groups the day before. Export agents now have a week to consider the estimates before they are made public next Friday (watch this spot).

Citrus Exporters Forum (CEF) members gave excellent presentations on what is expected for the 2012 season – and what needs to be done to make it a success. Some of the messages were:

- Price levels should be kept at realistic levels at the start of the season. This will ensure that fruit keeps moving. Moving fruit reduces costs associated with storage, and prevents undue quality deterioration.
- Growers should know their break-even cost levels, and only send fruit that allows sustainable returns.
- The first fruit that "opens the batting" must be well coloured and have good internal quality – it sets the tone for what is to follow. A poor first impression and bad eating experience takes ages to rectify.
- Must have good information and be prepared to share information. All should make informed decisions.
- Send markets their preferred counts, and the right volume thereof.
- Ensure carton weights are correct.
- Make sure that the fruit has a price and a market/receiver.
- Deal with reputable importers.
- Reduce reliance on degreening as much as possible.
- There are going to be shipping difficulties in the next 5 years (see below) which will lead to longer shipping delays, so make sure the fruit quality can withstand an additional week's shipping time.

DURBAN PORT [From Mitchell Brook]

On Tuesday 6th March a meeting was held between Durban Container Terminal (DCT) senior staff, Maersk, Safmarine, CGA and various citrus shippers. This followed concerns regarding the Pier 2 north quay construction postponed to June this year. The message was clear that DCT and shipping lines (particularly Maersk and Safmarine) are gearing themselves up to focus more on citrus reefers routed through DCT Pier 1 and 2 for the coming season. Pier 2 re-construction of the quay wall could, but is not expected to, affect the Maersk and Safmarine main Europe and Middle East strings. The transfer of general non main string vessels to MW and Point locations could be beneficial by reducing the general congestion into DCT from Bayhead Road. The MSC EU-FE pendulum service has been moved over to Pier 1 from Pier 2 so we should see better service levels and plug-in availability at both terminals this season; Pier 2 plug-in points have been increased by 30% to 1,400 FEU's - stacked four high at the new reefer stack at RR3. DCT are to implement backup generators should plug-ins fall short. The road upgrade between Langeberg Road and Pier 1 is due for completion by June and this should allow the free passage of trucks into the zone, hopefully reducing the bottlenecks commonly seen along Bayhead Road. Maersk and Safmarine were receptive to the idea that the SAECS and MESA stacks should not be opened simultaneously which happens frequently resulting in severe pressure at the packing facilities. Mitchell Brooke did an assessment during peak season last year on vessel stack times at DCT and found that 4-5 main string vessel stacks were open simultaneously at least once each week during peak season – some facilities in Durban recorded up to 150 containers stuffed in 24 hours when this happened. So the message can go out to the industry that DCT and shipping lines are gearing up to streamline Reefer business this season and ground operations should be better than what was previously seen, although anticipation of a bumper crop and further migration of citrus to containers could result in a 10-15% increase in citrus container volume transiting through DCT this year.

On Tuesday almost 200 logistically minded citrus representatives met in Cape Town to discuss and debate what needs to be done in the citrus industry to optimize and streamline the activities of exporting citrus out of the country, a request that was explicitly expressed by growers at this year's CRI and CGA workshops held last month.