FROM THE DESK OF THE CEO (14/12)

Justin Chadwick (13th April 2012)

QUOTE OF THE WEEK *"Only two things are infinite, the universe and human stupidity, and I'm not sure about the former" Albert Einstein*

LITTLE BROTHER

One of President Zuma's legacies will be his success in getting South African membership for BRICS (Brazil, Russia, India, China and South Africa). He crisscrossed the globe during 2010 and 2011 with an entourage of Ministers and business representatives, fighting for South African membership of this powerful block. It seemed that it may be a fruitless exercise, given how South Africa measures up to the other four (population statistics alone make interesting reading – Brazil 192 million, Russia 143 million, India 1 210 million, China 1 344 million and South Africa 50 million) – but he succeeded in his quest.

But it is a bit like a dog chasing a car – when he catches it he is not sure what to do with it. Despite many queries at the Agricultural Trade Forum (ATF) there does not seem to be any plan as to what South Africa aims to achieve with this membership. It seems that the focus is on mining, manufacturing and IT. Agriculture, it seems, is not seen as a priority. Which does not make a lot of sense to me – take Russia as an example; exports from South Africa to Russia are valued at around R1.5 billion – of this citrus exports are R520 million (one third); and other fruit about R230 million – meaning 50% of exports from South Africa to Russia (by value) is fruit. And yet when the State President visited Russia in 2010 only ONE member of the delegation represented the fruit industry – there were hundreds of people representing mining (manganese exports are valued at R135 million).

Surely a sensible way to go about drumming up export opportunities within BRICS is to see what trading is already taking place – to see who is operating in the market, how they are doing it, what mistakes have been made and what successes have been achieved; and then build on that with other products. Instead agriculture has been ignored. CGA sent two people to the BRICS event in New Delhi (as mentioned in last week's newsletter). The person who reported on agriculture at the relevant meeting was from the Black Business Chamber – he didn't have a clue what South Africa's agricultural issues are within BRICS. What preparation went into the event?

The fruit industries see huge potential for expanding exports into Russia, India and China – in fact the future of the sector probably lies in developing these markets. And expanding the fruit industry's means more jobs, reduced rural poverty, increased foreign exchange earnings and economic growth.

2012 ESTIMATE OF SOUTHERN HEMISPHERE CITRUS FOR EXPORT

More detailed figures from the first estimate released by SHAFFE (for the older folk – sorry about the small font size).

TOTAL SH													
Production	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**Var 2012/2011**	**Var 2012/Av 03/11**	**Average 2003/2011**
Oranges	2.973.698	3.062.463	3.267.705	3.245.765	3.554.082	3.315.615	3.325.857	3.474.439	3.693.144	3.726.801	0,91%	12,13%	3.323.641
Mandarins	1.031.361	1.276.653	1.201.231	1.230.760	1.333.358	1.158.817	1.142.161	1.170.760	1.238.995	1.468.239	18,50%	22,53%	1.198.233
Lemons	1.919.431	1.989.827	2.183.012	2.231.554	2.289.230	2.120.695	2.113.634	1.858.006	2.146.687	1.926.874	-10,24%	-8,01%	2.094.675
Grapefruit	554.448	536.721	711.978	633.882	677.574	630.726	700.886	554.644	591.189	573.029	-3,07%	-7,78%	621.339
Total	**6.478.938**	**6.865.664**	**7.363.926**	**7.341.961**	**7.854.244**	**7.225.853**	**7.282.538**	**7.057.849**	**7.670.015**	**7.694.943**	**0,33%**	**6,31%**	**7.237.888**
Export	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**Var 2012/2011**	**Var 2012/Av 03/11**	**Average 2003/2011**
Oranges	1.116.227	1.061.577	1.169.109	1.170.117	1.379.134	1.324.260	1.241.637	1.441.144	1.353.223	1.381.099	2,06%	10,42%	1.250.714
Mandarins	254.892	270.463	275.181	296.999	335.256	338.872	357.471	407.322	397.647	424.757	6,82%	30,29%	326.011
Lemons	457.417	484.298	539.139	484.448	529.026	599.718	445.326	468.477	470.011	479.393	2,00%	-3,65%	497.540
Grapefruit	200.061	219.043	292.409	181.733	249.511	226.488	231.107	200.344	249.774	226.660	-9,25%	-0,51%	227.830
Total	**2.028.597**	**2.035.381**	**2.275.838**	**2.133.297**	**2.492.927**	**2.489.338**	**2.275.541**	**2.517.287**	**2.470.655**	**2.511.909**	**1,67%**	**9,11%**	**2.302.096**

CLEAN UP YOUR ACT

In the major citrus growing regions growers pretty much farm alongside each other. A fence, river or road often separating one farmer's orchard from the next. What this means is that what your neighbor does is as important as what you do when it comes to pest and disease control. The problem is that a pest does not recognize the border fence, or road, or river as an impediment to movement. A grower with excellent orchard sanitation can be disadvantaged through the poor sanitization practices of his neighbor. It is really concerning to observe that some growers (admittedly the very small minority) still do not practice excellent orchard sanitation – putting not only their farm and that of the neighbor, but also the entire southern African citrus industry, at risk.

If you are not sure how to go about correct orchard sanitation contact CRI (northern regions Hennie Le Roux hlr@cri.co.za 0824471537 and southern regions Hannes Bester HannesBester@cri.co.za 0833258379) or contact me and I will put you in touch with the correct person (justchad@iafrica.com 0317652514).

If you are battling to fund orchard sanitation, contact your neighbor; I am sure that you will find some way to make a plan. This year all growers are going to have to up their game to ensure that market access is retained.

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