FROM THE DESK OF THE CEO (15/12)

Justin Chadwick (20th April 2012)

QUOTE OF THE WEEK *"Computers make it easier to do a lot of things, but most of the things they make it easier to do don't need to be done" – Andy Rooney*

TNPA R1 BILLION REBATE ON PORT CARGO DUES

In line with the Ports Regulator, Transnet National Port Authorities has determined an overall tariff increase of 2.76% for 2012/13 effective 01/04/2012. In determining this tariff increase, provision has been made for an R1bn discount program for the benefit of exporters (or cargo owners) of new RSA manufactured motor vehicles on wheels and full containers. The rebate (or tariff discount program) will operate on a 'first come first serve' basis and will cease once the rebate threshold of R1bn has been reached. For the exporting (only) of citrus containers for instance, a rebate will be granted by discounting Export Cargo Dues on 6m (20ft) full containers by R740 discount per container and on 12m (40ft) full containers by R1,820 discount per container. There will be no submission or application necessary to receive the rebate; the Cargo Dues order will merely reflect the discounted tariff as above. The TNPA 2012/13 Cargo Dues tariff for 12m (40ft) full export containers (mostly all citrus containers are 40ft) is R2, 163.21 plus VAT of R302.85 is a total of R2, 466.06 per container. The applicable discount of R1,820 (for full 40ft containers) is then subtracted from the full Cargo Dues order amount and will then reflect the total Cargo Dues order cost, including VAT, to an amount of R646.05. This amount should then be reflected back to the exporter or logistics agents C&F cost structure by the agent that lodged the Cargo Dues order on their behalf. Citrus farmers should engage with their respective exporters or logistics agents to ascertain how the rebate will be reflected through to the landside or port cost as itemized on the sales pro forma received from exporters or the invoice received from logistics agents. This should be reflected where a growers cargo has been exported on a FOB, CIF or full delivered (consignment) in market sales basis and by container. It is anticipated the citrus industry will export 50,000 full 12m (40ft) containers and this should benefit the industry by roughly R91m (roughly R91 per pallet and an average of R1.23 per carton) for the remainder of the 2012 export season. **All citrus farmers who are the rightful owners of the cargo at the time of shipping are entitled to this discount and it should be seen through the receipt of the landside or port cost structures. Scrutinise your sales advice to make sure that you (the cargo owner) are getting the rebate. Make sure that your sales advice is itemised or that your agent can verify that you received the advantage of the rebate. Contact Mitchell Brooke for more information (mitchell@cga.co.za or 031 765 2514)**

ORCHARD SANITATION (PART TWO)

On Wednesday this week I had the opportunity to fly over the Sundays River area – growers in that region are truly blessed to be farming in such a beautiful environment. Unfortunately the true beauty of the area was impacted by one grower who had dumped collected fruit alongside some orchards. It just does not make sense that the grower has gone to all the trouble of collecting the fruit only to dump it close by – surely the correct procedures could not have been that difficult to implement. In addition, this is within the SIT zone – which impacts directly on the success of this program.

If anybody wants to question the sense of excellent orchard sanitation consider the response to last week's newsletter provided by Gerd Hoppner in Swaziland (thanks Gerd):

"It is with great interest that I read of your reference to sanitation. That is the cornerstone of FCM, Fruit fly and disease control. All fruit needs to be collected and removed from the orchard, not left outside the orchard, and destroyed. Before I came to Swaziland I worked with an Entomologist Alan Schwartz who had done his PHD on FCM. He then told me the most important control measure for FCM is already in October and November. When I arrived here in Swaziland I started to apply that principle. I compared costs of sprays in those days with sanitation costs. With sanitation I achieved better results on FCM control than with sprays and it was cheaper. Since then we have never relied on any sprays for FCM but only on sanitation. We have had fewer problems with FCM than many other growers who are and were spraying for FCM. Add to that all the other pests and diseases that you reduce/control with sanitation."

PACKED AND SHIPPED

With half the Satsuma's packed and export volumes hitting the 1 million mark, the 2012 is getting into gear. Word from the orchards is that the season is 1 to 2 weeks later than normal; with exporters showing responsibility by holding back immature fruit despite reportedly good market opportunities.

To Week 16 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed	Final Shipped
SOURCE: PPECB	2010	2011	2012	2011	2012	2012	2012	2011	2011
Grapefruit	0.7 m	1.1 m	0.4 m	0.1m	0	15.2 m	15.2 m	16.2 m	15.3 m
Soft Citrus	1.8 m	1.6 m	1 m	1.1 m	0.6 m	7.6 m	7.6 m	6.9 m	6.7 m
Lemons	1.7 m	1.4 m	0.7 m	0.9 m	0.4 m	11.1 m	11.1 m	10.8 m	10.2 m
Navels	-	0.2 m	-	-	-	22.9 m	22.9 m	21.2 m	
Valencia	-	-	-	-	-	46.1 m	46.1 m	44.2 m	61.7 m*
	4.2 m	4.3 m	2.1 m	2.1 m	1 m	102.9 m	102.9 m	99.3 m	93.9 m

* All Oranges

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