

FROM THE DESK OF THE CEO (36/12)

Justin Chadwick (14 September 2012)

QUOTE OF THE WEEK "Better to bend in the wind than to break" Chinese Proverb

ASIAFRUIT

South Africa had a huge presence in Hong Kong this past week as Asia Fruit Conference and Logistica took place at a new venue, the Asia World Expo Centre. The presence was not only in terms of the number of South Africans at the event, but also in terms of South African fruit being mentioned in most presentations – South Africa has forged an enviable reputation in Asia. And the report card for the past ten years looks really good for oranges– the tables showing market share in 2010/1 as compared to 2000/1 shows that South African citrus has gained in most markets – not so good for soft citrus (Source: Asia Fruit Magazine). Chile and South Africa have both gained market share at the expense of Australia.

	ORANGES	Australia	Chile	South Africa	SOFT CITRUS	Australia	Chile	South Africa
ASIA		▼	▲	▲		●	▲	▼
Hong Kong		▼	●	▲		▲	●	▲
Singapore		▼	●	▲		▼	●	▲
Indonesia		▼	●	▲		▼	●	▼
Taiwan		▼	●	▲		▲	●	●
Japan		▲	▲	●		▼	▼	●
Korea		▼	▲	▼				

▲ Increase ▼ Decrease ● Minimal Change

Some interesting facts were communicated at the AsiaFruit Congress ● Brazil has 16% of the world's biocapacity – defined as the ability to produce biomass on a sustainable basis ● Japan, China and South Korea are all nett importers of food in the region; Pakistan is the only nett exporter ● Between 2006 and 2011 there has been an explosion of trade in Asia – with those with efficient supply chains benefitting most ● By 2020 India will overtake China as the world's most populous country ● In 2012 Asia urbanization is 40%; by 2050 it will be 70% - urban people spend 2.5 times more on food than rural people ● Real labour costs increased (2000 to 2010) by 155% in China; 83% in India and 80% in Vietnam – makes domestic goods more expensive and puts more money in consumers' pockets ● Indonesia is the world's fourth largest economy ● With increased incomes Indonesia will have 140 million middle income earners by 2014 ● 2013 will be a year of food crises with scarcity in agricultural commodities, increased and more volatile food prices (best cure for high prices is high prices if signals are correctly transmitted and received) ● Markets in Europe have become complacent, while Asia is vibrant and exciting ● Impact of internet means more visibility of prices (more level playing field).

ORCHARD INSPECTIONS

All growers exporting to the EU are required to have orchard inspections, with orchards inspections conducted before 1 September requiring a reinspection. Alternatively, and provided that application for orchard inspections have been made, consignments can be inspected in the port. For further information on these requirements please contact CGA.

SOPP

Regulation 304/2010 set a temporary MRL for Orthophenylphenol (SOPP) at 5 ppm with validity up to 30 September 2012, pending the release of some additional studies and evaluation on residues trials for citrus and valid storage stabilities studies. These studies were conducted and submitted late spring by the manufacturer to the rapporteur Member State (Spain) and subsequently circulated to the Commission services and the other Member States. In order to allow a proper re-evaluation of the MRL on the basis of Art 12 of Regulation 396/2005, the Commission is due to propose at its MRL Committee on 5th October a prolongation by two years of the MRL (5 ppm for citrus) to allow a proper evaluation of the MRL by EFSA based on information available. The Commission will publish at the earliest the regulation once adopted, as well as modify accordingly its database to avoid legal uncertainties and legal vacuum (for more contact Paul Hardman).

DATES TO DIARISE

Annual DAFF Citrus Coordinating Meeting; **27 September 2012; 09h00-15h00 at ARC Infruitec in Stellenbosch.**

PACKED AND SHIPPED

To Week 37 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	12.5 m	16.2 m	12.9 m	16.2 m	12.9 m	15.2 m	12.9 m	16.2 m	16.1 m
Soft Citrus	7.5 m	7.1 m	7.4 m	7.1 m	7.4 m	7.6 m	7.6 m	6.9 m	6.8 m
Lemons	9.4 m	10.6 m	10.2 m	10 m	9.9 m	11.1 m	10.2 m	10.8 m	10.2 m
Navels	22.9 m	24.1 m	23.6 m	53.8 m	54.2 m	22.9 m	23.6 m	23.6 m	61.7 m*
Valencia	38.7 m	29.9 m	32.4 m			46.1 m	44.8 m	44.2 m	
	91 m	87.9 m	86.5 m	87.1 m	84.4 m	102.9 m	99.1 m	101.7 m	94.8 m

* All Oranges

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