FROM THE DESK OF THE CEO (50/12)

Justin Chadwick (21 December 2012)

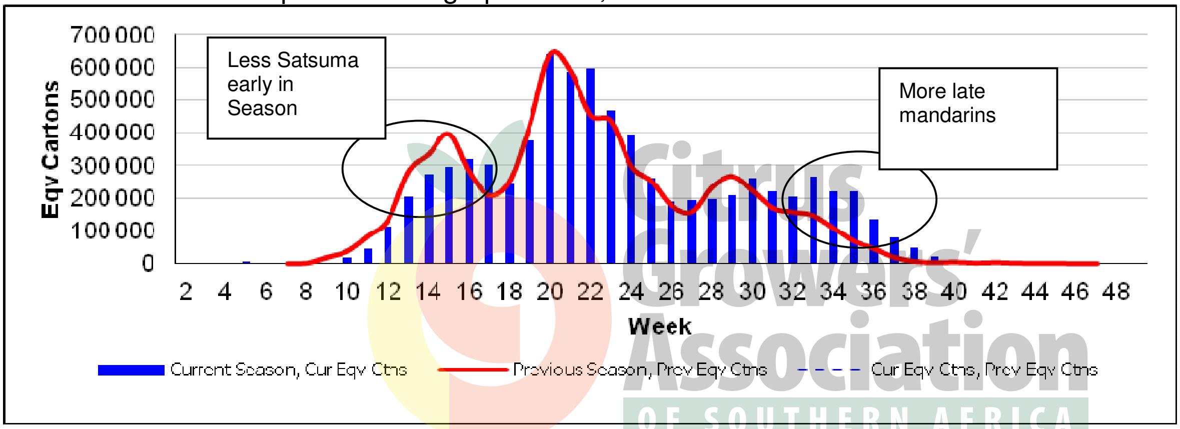
***QUOTE OF THE WEEK* "''Truth, it is a beautiful and terrible thing and should therefore be treated with caution'' ~Harry Potter and the Philosopher's Stone**

CHRISTMAS WISHES

On behalf of the Staff and Directors of CGA I would like to wish all of the Southern African citrus family a Blessed Christmas and GREAT 2013. For those who are travelling over the festive season – buckle up and travel safely.

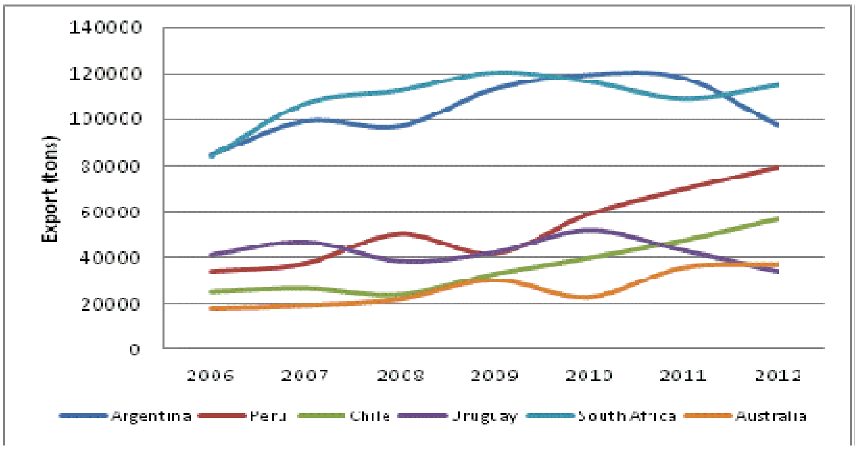
2012 SEASON REVIEW – SOFT CITRUS

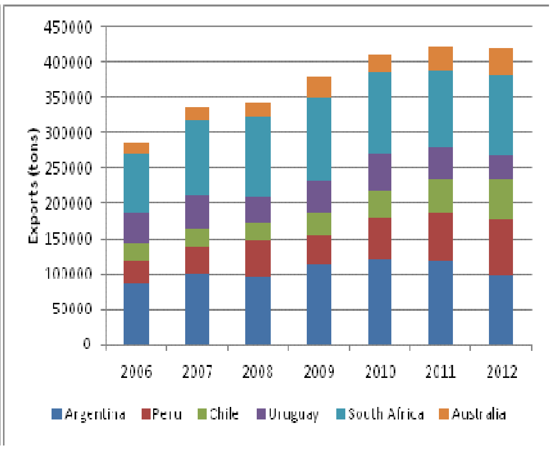
The Crop: One thing you can say about the Soft Citrus Focus Group is that they know how to estimate. In March this year they estimated the soft citrus crop to be 7 619 282 (15Kg) cartons – it ended up being 7 639 287 (15Kg) cartons. Just 0.26% higher than original estimates. Within the category there were some differences – Satsuma's being less than anticipated (estimate 1 939 883 cartons; actual 1 631 124 cartons) and mandarins more than anticipated (estimate 3 106 930 cartons; actual 3 267 970 cartons); clementines were almost spot on (estimate 2 576 419 cartons; actual 2 578 746 cartons). There were no dispensation requests for soft citrus in 2012.
The season is best depicted in the graph below;



The Markets: Soft citrus shipments tend to follow a settled pattern from year to year. The vast majority is shipped to the United Kingdom (2011 36%; 2012 41%); followed by Northern Europe (20%), North America (12%) and Russia (12%). The most significant change from 2011 was for the Middle East – in 2011 12% whereas in 2012 5% (influenced by one big shipment in week 25 of 2011).

Southern Hemisphere: Soft citrus is the most competitive citrus sector. There are two "leagues" – the first league is Argentina and South Africa who have been battling it out for top spot – at about the 120 000 ton mark. Argentina is mostly focused on Russia, while South Africa's volumes are focused on the EU. From the second league (at about the 40 000 ton mark) we see two countries making their mark and increasing towards the upper league – Chile and Peru. Chile's growth is mostly fuelled by increased exports to the US.
In total soft citrus exports from the southern hemisphere have increased from 290 000 tons in 2006 to 420 000 tons in 2012.





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