

FROM THE DESK OF THE CEO (27/13)

Justin Chadwick (5 July 2013)

QUOTE OF THE WEEK “Orange is the happiest colour” Frank Sinatra

ORANGES TAKE TOP SPOT

The latest International Trade Probe (No 45; May 2013) prepared by the NAMC and DAFF confirm that oranges remains South Africa's leading agricultural exporter – accounting for 9.4% of total South African agricultural exports. Grape wine (at 7.1%) and fresh grapes (6.9%) take second and third spot respectively. The five major importers of South African oranges are shown below:

Rank	Importers	Exported value (ZAR billion) 2007	Exported value (ZAR billion) 2012	Growth value 2011–2012
World exports		2.88	4.78	72.1
1	Netherlands	0.44	0.84	90.3
2	Russia	0.30	0.51	71.0
3	Saudi Arabia	0.15	0.40	176.2
4	UAE	0.20	0.39	94.1
5	UK	0.22	0.29	33.0

Source: Global Trade Atlas, 2013

All five leading importing countries showed substantial growth in volumes imported between 2007 and 2012 (please note error in final column – should read Growth value 2007-2012). Netherlands remains the major trading partner accounting for R840 million in import value. The UK has slipped from third position in 2007 to fifth in 2012. The most significant growth has been in the Middle East. Russia remains the second highest importer of South African oranges by value.

In terms of Africa as a whole; oranges are the second most exported agricultural product – with significant volumes out of Egypt and South Africa. The leading agricultural export out of Africa is cocoa beans earning R50 billion per annum; most being sourced from Ivory Coast, Ghana and Nigeria.

CITRUS BLACK SPOT (CBS) – COMMITMENT TO COMPLIANCE

The sixth CBS Bulletin was distributed yesterday. This Bulletin covers the institutional arrangements around the EU-CBS issue. Considerable resources are dedicated to meetings regarding this issue. **To date there have still been no official notifications of consignments from South Africa intercepted for CBS in the EU.**

PACKED AND SHIPPED

With 84% of southern African **grapefruit** now packed, and most northern regions completed with their grapefruit season – the latest prediction of 17 million 15 Kg cartons (15 million 17 Kg cartons) seems achievable. Growers have reacted to the consumer's preference for red fleshed grapefruit with white grapefruit now only 14% of those packed to date.

In the **soft citrus** category Satsuma growers overestimated by almost 10% - 1 632 073 cartons (15Kg) packed against an original estimate of 1 793 635 cartons. The focus is now on clementines where almost 90% of the estimated 2 653 176 cartons have been packed. The last category is Mandarins where 40% of the estimated 3 732 393 cartons have been packed.

The **Russian** market has grown once more in 2013 (to date) – with total citrus volumes to this market increasing from 3.4 million cartons in 2011, to 4.3 million cartons in 2012 and so far in 2013 to 5 million cartons. The Russian Focus Group met recently and reminded exporters that with holiday season approaching sales rates in Russia would slow down, recommending that exporters adjust their volumes accordingly.

With the focus on CBS and the **EU** market, it is interesting to note that southern African citrus volumes into the EU are very much in line with the previous two years. The bulk of exports are to northern Europe where export volumes in 2013 (to date) are 9.4 million (15Kg) cartons – up from 2012 (8.1 million) but similar to 2011 (9.3 million). The UK shows a steady import volume of 4 million cartons in 2013, 4.1 million in 2012 and 4 million in 2011. Southern Europe imports are slightly up in 2013 (1.9 million cartons) compared to the 1.7 million imported to end week 26 in both 2012 and 2011.

To Week 27 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB	2011	2012	2013	2012	2013	2013	2013	2012
Grapefruit	12.4 m	10.2 m	14.3 m	9.6 m	12.2 m	15 m	17 m	13 m
Soft Citrus	5.3 m	5.3 m	5.5 m	5.2 m	5.1 m	8.2 m	7.8 m	7.6 m
Lemons	6.4 m	5.7 m	7.1 m	5.2 m	6.4 m	11.1 m	10.3 m	10.5 m
Navels	14.8 m	15.8 m	14.8 m	12.6 m	10.2 m	24.9 m	23.9 m	24.6 m
Valencia	4.7 m	5.4 m	4.2 m	2.6 m	2 m	47.7 m	47.7 m	47.2 m
Total	43.6 m	42.4 m	45.9 m	35.2 m	35.9 m	106.8 m	106.7 m	103 m

SOUTHERN AFRICAN CITRUS GROWERS' OWNED COMPANIES CGA, XSIT, CRI, RIVER BIOSCIENCE, CGACC AND CITRUS ACADEMY ENSURE A COMPETITIVE AND SUSTAINABLE INDUSTRY