FROM THE DESK OF THE CEO (32/13)

Justin Chadwick (9 August 2013)

QUOTE OF THE WEEK "The problem with political jokes is they get elected" Henry Cate VII

PHILIPPINES

Philippine's plant health authorities will be visiting South Africa in the first week of September to conduct an investigation into the South African citrus industry, with a view to granting access to their market. DAFF and CGA are in the process of finalising the dates and itinerary for the trip.

QUALITY LEMONS

They say when a consumer is dissatisfied he/she will tell 20+ people; when they are satisfied they tend to not tell anybody. It was therefore very rewarding to get this message from a gentleman in Abbotsford, British Columbia, Canada "***Every year at this time, local blueberries are in the stores and I like to make a blueberry / lemon tart for me and my friends. From here on in I will be looking for SA lemons in the stores. Your growers are onto something that everyone should know about! I will be taking the tarts to work tomorrow and will tell my co-workers that I used and recommend SA lemons!"*** To get high quality product to a happy consumer thousands of kilometres away takes a lot of hard work from a number of different role-players in the value chain. They can all take a bow for their fine efforts!!!!

DURBAN CONGESTION (Message from Mitchell Brooke, CGA)

I received the port stock volume this morning and it indicates that the Durban cold store facilities are generally full or at high capacity. I have been advised that shipping through Durban earlier this week has not been sufficient enough to make way for Valencia railings entering Durban. This has resulted in capacity constraints and will no doubt resort to truck bottlenecks and delays for the remainder of the week. However the reports indicate that there is not an influx of trucks in Durban at present but given the capacity constraints this could change in a short space of time. Shipping indications show that there is a good portion of the current stock planned to load out over the weekend as break-bulk shipping has been brought in.

The high level of container exporters in Durban is adding excessive pressure at cold stores and this is resulting in their inability to attain the required load out rates. This results in carryover of stock to the following week's vessel and so on. I have been in a position to identify that the Durban Container Terminal stack dates are not planned in a manner that assists to create an even demand throughout the week. On a weekly basis we see high demand areas in the middle of the week where up to 10 vessel stacks open simultaneously over a 3 day period in the middle of the week. This means that the cold stores are required to load out all the planned containers in a space of 3 to 4 days; this is not achievable by any means. I initiated a teleconference with DCT, exporters and FPT to ascertain with DCT if there were initiatives that could be implemented to plan the stack spread evenly in a given week. There is a follow up meeting with DCT on Tuesday 13th August to reaffirm the initiatives discussed and implement a more effective approach to planning reefer stack dates – as well as limiting/eliminating the occurrence of plug-in shortages.

At present the cold stores ability to receive railings efficiently is constrained on three levels, 1) containers arrive in numbers at the facilities and this causes congestion at the entrance areas, 2) internal operations are intensified by high levels of container packing thus prohibiting effective operations to stow fruit into the chambers making way for inbound railings, and 3) The CBS 4 day protocol is being breached by the delay of trucks received thus causing a bottleneck for DAFF inspections at the facilities. This pressure all culminates into an ineffective situation. If we can lessen the container load out pressure and spread the work load through effective stack planning; this should assist and allow the railing of citrus to be received more efficiently.

As a result of the continued truck delays, transporters are showing an unwillingness to transport citrus into Durban or transport is being offered at a premium. This was verified with 3 individual transporters I had discussions with today. There is a general outcry from packhouses in the northern territories regarding the lack of transport in the region, resulting in consignments being held on the packhouse floor as of last week already. I've heard that some packhouses have as many as 30 consignments waiting to be railed to port. The resolution of the current Durban port issues is no easy fix given the current situation; we can however mediate with DCT the specific issue of the stack date planning and therefore increaser the ports throughput.

There should also be concern regarding the level of railings waiting to be dispatched into Durban given the current port capacity constraints. The fact that many EU railings may arrive out of the CBS 4 day protocol may create a further demand for DAFF re-inspections thus creating a further bottleneck. Packhouses are strongly advised to keep communicating with exporters/agents as to the position as far as the respective cold stores ability to receive railings over the next 2 weeks.

PACKED AND SHIPPED

To Week 32 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	14 m	11.4 m	15.7 m	10.9 m	14.6 m	15 m	17.8 m	13 m
Soft Citrus	6.3 m	6.4 m	6.8 m	6.2 m	6.4 m	8.2 m	8.2 m	7.6 m
Lemons	9.4 m	8.8 m	9.5 m	8 m	8.9 m	11.1 m	10.1 m	10.5 m
Navels	19.5 m	22.6 m	23.2 m	20.5 m	21.1 m	24.9 m	23.2 m	24.6 m
Valencia	15 m	16.4 m	16.2 m	11.8 m	10.2 m	47.7 m	45.7 m	47.2 m
Total	64.2 m	65.6 m	71.4 m	57.4 m	61.2 m	106.8 m	105 m	103 m

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