FROM THE DESK OF THE CEO (38/13)

Justin Chadwick (21 September 2013)

QUOTE OF THE WEEK "The English have no respect for their language, and will not teach their children to speak it" George Bernard Shaw

ANNUAL CITRUS COORDINATING MEETING

150 citrus industry stakeholders crammed into St Georges Park, PE – but it was not to watch cricket! If ever anybody wanted to learn more about the complexities of exporting citrus from the southern tip of Africa this was the pace to be. The meeting was fortunate to have the Agricultural Attache's from Japan (Phindiwe), China (Washiela) and EU (Thapsana) attend – they are vital cogs in the machinery that drives gaining, maintaining and optimising market access. Thapsana has been a huge asset as we have faced increasing challenges in the EU; while Washiela and Phindiwe cover the whole Asian region – vital for diversification of our citrus markets.

An actress was quoted as saying "My husband and I have never considered divorce….. murder sometimes, but never divorce" Given the immense challenges of rolling out the CBS risk management system, coupled with the normal challenges of exporting over 100 million cartons to all corners of the globe; it is no wonder that tempers get frayed and relationships strained – especially between the regulator (DAFF) and industry. As much as these tensions exist, and sometimes boil over; DAFF and the industry are in a marriage that we have to make work. The Coordinating meeting was carried out in this spirit of problem solving and joint responsibility.

Most of the meeting was dedicated to discussing EU issues – with 40% of the fruit going to this market we just have to get it right. As much as the measure itself is not based on any scientific justification; the reality is that the measure is in place and international conventions dictate that we meet these measures. Until the pest risk assessment is concluded (and hopefully the 700 years of scientific knowledge crammed into the international CBS experts submission will be given due recognition), South Africa has to ensure that the CBS Risk Management System works.

The South African citrus industry has increased at between 7 and 9% per annum for the past ten years. Continued expansion depends on natural resources (most particularly land and water in the right areas), costs and new markets. Strategically CGA is looking to provide exporters with opportunities for an additional 20 million cartons by 2020. This could be to absorb future growth, or for diversification away from more difficult markets. Most opportunities are in Asia, Middle East and Eastern Europe.

In order to relieve some of the stress that existed in the 2013 season it is essential that we embrace technology – and move to electronic data capture and data interchange as a matter of urgency. "Death by Documentation" is a big problem – whenever we need to resolve an issue we add another document. Most documents are captured by hand, with transcribing of information resulting in administration errors and unnecessary time wastage and (in many cases) lost market opportunities. With the need to capture orchard information a whole new level of complexity has evolved – most systems were not designed to handle this information; and the fact that orchard numbering is not standardised adds to the hassles. There is a recognition that "going electronic" is the answer; and PPECB's move to tablet technology is a step in the right direction.

Communication remains a challenge in our industry. DAFF complain about the non response from industry, and our inability to inform them of harvesting dates and other critical information; while industry complains about the difficulties in contacting DAFF. DAFF indicated that they would now take a roadshow out to the regions – to make sure that growers received the information that was discussed at the coordinating meeting. This is essential, particularly for growers in the north who could not make the trip to PE due to continued harvesting and packing of their product; and setting the 2014 crop

CITRUS MARKETING FORUM (CMF)

The final CMF of 2013 will be held at Infruitec in Stellenbosch on Friday 1 November 2013. As was the case in 2012 it is planned that the first two hours will be dedicated to market access discussions; in particular looking at present blockages to improved market access and planning how we can unblock them. John Edmonds is presently mapping our present market distribution in order to identify opportunities for increased volumes into existing markets; and new market opportunities. CGA has a bold objective of providing 20 million carton new market opportunities by 2020; to achieve this all roleplayers will need to contribute. The contribution starts by attending the CMF so that the planning is done properly.

PACKED AND SHIPPED

Packing of Valencia's continues – mostly in the southern regions of the country; it is predicted that there are three million cartons still to be packed.

To Week 38 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	16.4 m	13 m	17.7 m	13 m	15.7 m	15 m	17.8 m	13 m
Soft Citrus	6.9 m	7.5 m	8.3 m	7.5 m	8 m	8.2 m	8.3 m	7.6 m
Lemons	10.6 m	10.3 m	10.4 m	10.2 m	10.4 m	11.1 m	10.4 m	10.5 m
Navels	21.1m	24.6 m	25.4 m	24.6 m	25.4 m	24.9 m	25.4 m	24.6 m
Valencia	33.4 m	36.1 m	42.3 m	32.8 m	31.9 m	47.7 m	45.7 m	47.2 m
Total	88.4 m	91.5 m	104.1 m	88.1 m	91.4 m	106.8 m	107.6 m	103 m

Grapefruit packed includes 1 million cartons, and Valencia packed includes 2.6 million cartons from Swaziland and Zimbabwe.

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