

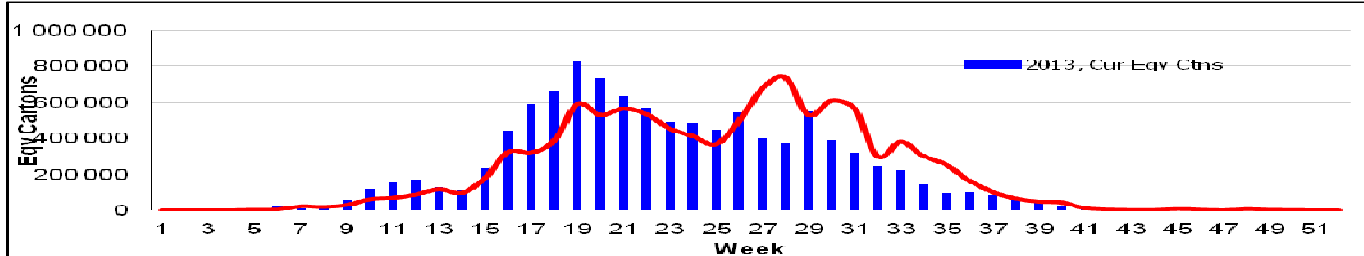
FROM THE DESK OF THE CEO (47/13)

Justin Chadwick (22 November 2013)

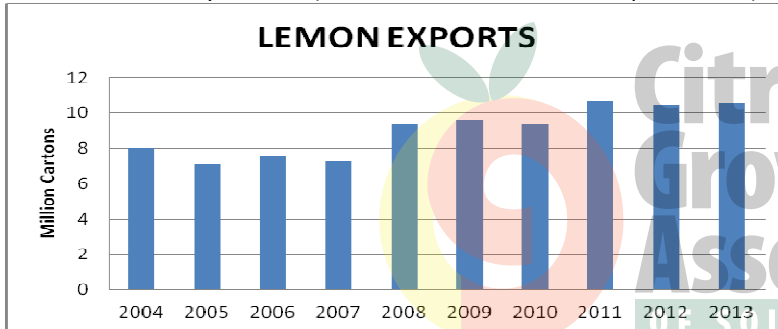
QUOTE OF THE WEEK "We live in a world where lemonade is made from artificial flavouring and furniture polish is made from real lemons." Mad Magazine

2013 REVIEW: LEMONS

There are two aspects of the 2013 lemon season that stand out – the picking pattern, and the decision to avoid the EU. In 2013 the lemon season was characterised by an excellent first pick, followed by less fruit later in the season.

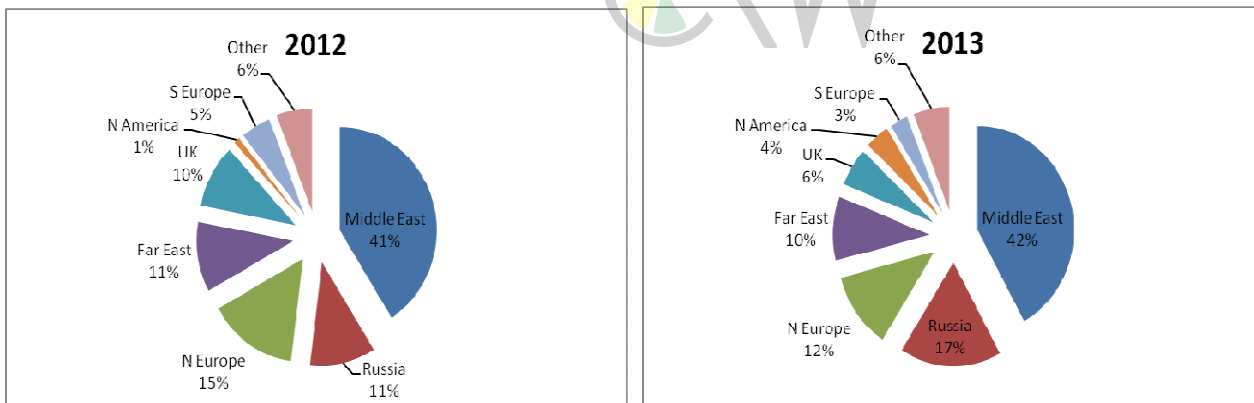


The lemon focus group has been excellent at estimating export volumes; in 7 of the last 9 years the focus group has been within 10% of the actual export volumes. In 2013 the focus group was only 5% under in their estimation. Although the Sundays River region (which produces almost half of South Africa's lemons) packed 19% less than the estimated volume; this was made up by increases of 10% by Senwes (17% of South Africa's lemon production) and increase of 13% from Boland (7% of production).



Lemon export volumes in 2013 were just 0.1 million off the record 2011 season. Annual lemon exports are around the 10 million carton mark (after fluctuating between 6 and 8 million between 2004 and 2007).

In general the global distribution of South African lemons is similar to 2012 but with some significant differences. Early in the season exporters decided not to send lemons to the EU due to the CBS risk; hence the drop in volumes to northern Europe (1.4 m to 1.1 m cartons) the UK (1.1 m to 0.6 m cartons) and southern Europe (0.4 m to 0.3 m). This fruit was mostly sent to Russia where volumes increased from 1.3 m to 2 m cartons.



CBS: EU BAN

DAFF have received a message from EU plant health (DG SANCO) stating that they will start the process to restrict the import of citrus fruit from South Africa for the remainder of the 2013 season. They have indicated that this would not relate to CBS free area's; specified as follows: **Officially recognized by the EU** (Decision 2006/473/EC): * Western Cape and * Northern Cape: magisterial districts of Hartswater and Warrenton. **Officially recognized by South Africa**, in addition to those recognized by the EU: *Northern Cape: magisterial districts of Barkly West, Gordonia, Hay, Hebert, Hopetown, Kenhardt, Kimberley, Namakwaland and Prieska; *Free State Province: magisterial districts of Boshof, Fauresmith, Jacobsdal, Koffiefontein and Philippolis; *North-West Province: magisterial districts of Christiana and Taung.

It is expected that these restrictions will be discussed at the Standing Committee on Plant Health meeting to be held 27/28 November 2013.