FROM THE DESK OF THE CEO (10/14)

Justin Chadwick (21 March 2014)

QUOTE OF THE WEEK "The problem with people who have no vices is that generally you can be pretty sure that they're going to have some pretty annoying virtues" Elizabeth Taylor

CITRUS MARKETING FORUM ENDORSES CROP ESTIMATE FOR 2014

The southern African citrus industry will mark time as the total volume packed and passed for exports remains steady at 113 million 15 Kg cartons (2013 113.7 million; 2014 113.5 million). This estimate includes volumes from South Africa, Zimbabwe and Swaziland. The estimate was determined by the variety focus groups (facilitated by CGA Information Manager, John Edmonds), presented to the Citrus Marketing Forum (on 17 March) and after endorsement from FPEF released in this newsletter.

Although the overall estimate remains steady; there are some significant changes in some of the citrus sectors – lemons show the biggest increase of 14% (2013 10.6 m; 2014 12.1 m); while grapefruit shows the biggest decline of 6% (2013 17.8 m; 2014 16.8 m). Soft citrus also shows an increase of 9% (2013 8.4 m; 2014 9.2 m). The orange sector remains stable with navels increasing 2% (2013 24.4 m; 2014 25.8 m); while valencia's dropped to below 50 million cartons, decreasing by 4% (2013 51.4 m; 2014 49.5 m). Note: m = million cartons.

Lemons: The biggest lemon growing region, Sundays River, had a poor second and third pick in 2013. 2014 sees this region back to normal with an increase of 23% (2012 5.5 m; 2013 4.9 m; 2014 6 m). Increased plantings in the second biggest region (Senwes) are now starting to yield resulting in a 25% increase from this region (2012 1.4 m; 2013 1.8 m; 2014 2.3 m).

Grapefruit: **Red Grapefruit** showed the bigger decrease of 8%. Of the larger regions Onderberg had the biggest decrease of 11% (2013 2.8 m; 2014 2.5 m); Letsitele shadowed the overall decrease of 8% (2013 4.1 m; 2014 3.7 m), while Hoedspruit with some new plantings coming through had a decrease of 4% (2013 3.4 m; 2014 3.3 m). Limpopo River bucked the trend with an increase of 5% (2013 1.1 m; 2014 1.2 m). Generally the grapefruit is bigger and cleaner; resulting in good packouts. The harvest could be slightly later than last year. **White grapefruit** has a more modest decrease of 4% (2013 1.7 m; 2014 1.6 m).

Soft Citrus: The **Satsuma** estimate increases by 6% (2013 1.6 m; 2014 1.7 m). The Western Cape (10%) and Boland (1%) increase due to better growing conditions; as does the Eastern Cape regions of Patensie (17%) and East Cape Midlands (12%). Nelspruit bucks the trend with a decrease of 4%. **Clementine** show a similar increase (7%; 2013 2.5 m; 2014 2.7 m) and similar trend – Western Cape up 15%, Boland up 6%, East Cape Midlands and Patensie both up 18%. Both Sundays River Valley (-14%) and Nelspruit (-21%) expect a decrease. **Mandarins** continue their upward trajectory – increasing by 8% (2013 4.3 m; 2014 4.7 m). Once again Western Cape (13%), Boland (2%) and Patensie (16%) show an increase, as does Sundays River (11%). Nelspruit is once again down (3%). Senwes is the biggest mover, increasing by 30% (although from a low base).

Navels: Western Cape regains its position as biggest navel production region increasing by 11% (2013 6.1 m; 2014 6.7 m); while Senwes moves from first to third as volumes decrease by 10% due to late rains and hail (2013 7.1 m; 2014 6.4 m). Sundays River retains second spot, increasing by 5% (2013 6.4 m; 2014 6.7 m). Patensie also shows an increase of 9% (2013 2.6 m; 2014 2.8 m).

Valencia: The biggest region, Letsitele, shows a 4% increase (2013 12 m; 2014 12.5 m); with Hoedspruit a similar 3% increase (2013 4.8 m; 2014 4.9 m). Limpopo River (2013 and 2014 5 m) and Western Cape (2013 and 2014 4.5 m) estimate similar seasons to last year. Sundays River experienced a high in 2013 (6.7 m) and expect a 3% decrease in 2014 (6.5 m). The biggest decrease is for Senwes – coming off 25% from the big 2013 crop (2013 7.6 m; 2014 5.8 m). This is due to adverse weather conditions.

GOOD NEWS FOLLOWING THE SOUTH AFRICA-USA BILATERALS

This past week delegates from USDA APHIS visited South Africa to discuss a wide range of market access issues. Citrus issues were prominent on the agenda; including the treatment protocol, wider access from the rest of South Africa and use of southern ports.

Initial reports from the bilateral meeting indicate that they were fruitful. In particular South African citrus exporters to the USA will be pleased to hear that a pilot project has been agreed on that will allow the cold treatment period to revert to 22 days in 2014. Strict oversight and monitoring will be conducted during 2014 to see if this reversion can remain in the future.

Thanks to DAFF (Alice Baxter, Ernest Phoku and their team) for making this possible.

More on the US program in next week's newsletter.