FROM THE DESK OF THE CEO (25/14)

Justin Chadwick (4 July 2014)

QUOTE OF THE WEEK *"I still get nervous about singing. I drink tea with honey and lemon before every concert." Mary J Bligh*

CHRISTMAS IN JULY

Mitchell Brooke has received a copy of the Ports Regulators Record Of Decision on the outstanding R121 million in reference to the 2012/13 tariff rebate of R1 billion. Available at
http://www.portsregulator.org/images/documents/Record-of-Decision-on-Rebate-Distribution-30-05-2014.pdf
Mitchell writes as follows;

As published by the Ports Regulator, the port authority (TNPA) will issue a credit note in July towards applicable clearing agents accounts a sum of R115.14 for 6m (full) containers and a sum of R283.17 for 12m (full) containers for each container that was exported in the FY 2012/13 where the relevant cargo dues where paid within that period. As I understand it, clearing agents will then have to pass a credit note back to exporters or logistics agents who handled containers in the FY 2012/13 to which the outstanding rebate is applicable. Exporters and logistics agents in turn will then have to pass a credit note to producers in the case that producers were the owner of the cargo at the time of shipping - where the container cargo dues were paid on behalf of producers.

In conversation with the Ports Regulator, the cargo owner (exporter or producer) has the onus to ensure that the applicable credit is reflected back to them as the rightful recipient of the balance of the rebate.

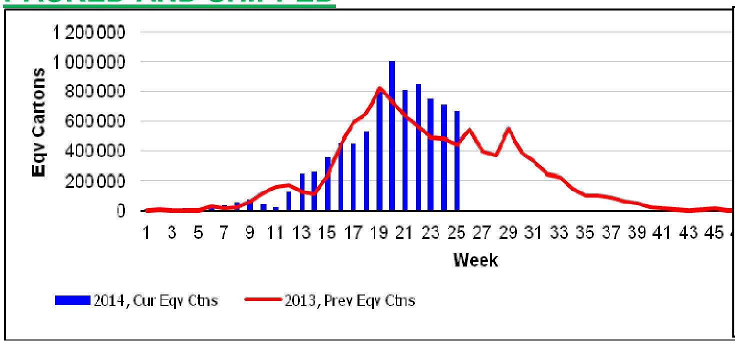
In summary, if a producer exported 12m reefer containers in FY2012/13, a bill/invoice should have been issued by the respectful exporter or logistics agent reflecting the TNPA cargo dues tariff amount of R2,163.21 + 14%VAT (R302.85) = R2,466.06 (-) the TNPA cargo dues rebate amount of R1,820, therefore an amount of R646.06 should have been billed in the FY2012/13 (01/04/2012 – 31/03/2013). As the R1 billion allocation was not fully utilized an amount of R121 million (136 million incl. interest) is therefore outstanding and is to be credited to the rightful cargo owner. If a producer exported 1,000, 12m reefer containers in the FY2012/13 an amount of R283.17 per container and a total amount of R283,170.00 would therefore be required to be credited to that producer.

There may well be administration problems in determining amounts to be credited as may be the case where multiple producers' fruit was combined into a single container for export. Producers must therefore consult with the respective exporter or logistics agents to determine the amounts and how to receive the credit in terms of the above. If there are any queries with regards to this, please do not hesitate to make contact mitchell@cga.co.za .

POSSIBLE PORT CONGESTION

The EU have confirmed that the additional declaration stating that orchard testing of Valencia oranges has been completed with no CBS detections will be required on all phytosanitary certificates for valencia's arriving in the EU from 24 July 2014. This could cause some potential problems particularly in the port of Durban as fruit destined for the EU may be stored longer in cold stores awaiting the results of the orchard testing (Full text in Grower Advisory of 3 July 2013).

PACKED AND SHIPPED



SNAPSHOT: LEMONS PACKED IN 2014:

Lemon markets around the world are showing good to excellent returns, which is incentivising exporters in South Africa to optimise packing so as to meet this demand. The adjacent graph shows lemon packing in 2014 compared to 2013 packed. It is immediately evident that the good market conditions have resulted in additional lemons being packed from week 20 onwards. Due to this increase the Lemon Focus Group has increased their prediction for annual packed and passed export volumes for 2014.

To Week 27 **Million 15 Kg Cartons**	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB	2012	2013	2014	2013	2014	2014	2014	2013
Grapefruit	10.2 m	14.3 m	11.7 m	12.3 m	10.1 m	16.5 m	14.9 m	17.9 m
Soft Citrus	5.3 m	5.5 m	6.6 m	5.3 m	5.8 m	9.2 m	10.5 m	8.4 m
Lemons	5.7 m	7.5 m	8.8 m	6.8 m	7.6 m	12.1 m	12.5 m	10.6 m
Navels	15.8 m	15.8 m	13.6 m	11.9 m	10.1 m	25.8 m	25.8 m	25.4 m
Valencia	5.4 m	4.4 m	4.8 m	2.4 m	1.1 m	49.5 m	49.5 m	51.4 m
Total	42.4 m	47.5 m	45.5 m	38.7 m	34.7 m	113.1 m	113.2 m	113.7 m

GROWERS' ENSURE A COMPETITIVE AND SUSTAINABLE SOUTHERN AFRICAN CITRUS INDUSTRY BY FUNDING AND GUIDINGTHE CGA GROUP (CRI; CITRUS ACADEMY; CGACC; RB AND XSIT)