FROM THE DESK OF THE CEO (35/14)

Justin Chadwick (12 September2014)

QUOTE OF THE WEEK "A clever person solves a problem. A wise person avoids it." Albert Einstein

OPPORTUNITIES IN SOUTH EAST ASIA (More in newsletters to follow)

Having just stepped off the plane after two weeks travel I am both exhausted and excited. The Fruit South Africa delegation visited the world's most populous nations (Indonesia, Hong Kong/China and India) – and the general impression is that these are markets that could take significantly more South African fruit. In particular there was a lot of interest in South African citrus – most notably oranges.

The markets are not without challenges, and will take some time to develop to their full potential; the goal of the trip was to remove hurdles facing South African exporters, clarify import conditions (phytosanitary, sanitary, labelling etc.), determine opportunities, foster cooperation, exchange information, develop relationships and determine infrastructure limitations.

Those who are presently exporting to these countries are to be commended – South African fruit (including citrus) was visible in all these markets, and the traders spoke highly of their export partners in South Africa. Developing these markets and the relationships that sustain long term trade takes an immense amount of time and money; travelling away from family in sometimes uncomfortable conditions for weeks on end. Well done to the exporters presently engaged in these markets.

INDONESIA The delegation had the opportunity to brief the South African Embassy in Jakarta (Willem Geerlings has been driving the fruit industry issues from the Embassy). Mr Geerlings then accompanied the delegation to visit with plant health and inspection services officials. The priority topic was to ascertain where the process for mutual country recognition was. It was confirmed that in terms of food safety the assessment has been completed and a verification visit needs to take place. With the new Indonesian government still to be sworn in the officials were reluctant to set a date for the visit; any new administration could result in changed policies, priorities and budgets. The timing will be clearer after October once the cabinet has been finalised. Mutual Country Recognition should open the doors for South African fruit to move through the port of Jakarta, and reduce the requirements in terms of certification and documentation. A visit to the importers confirmed what we all know – we could have sold our lemon crop a couple of times over in 2014. In addition there is a market for additional orange volumes. South African citrus is recognised as offering a good price/value balance. The delegation is building good relations with decision makers through these annual visits.

INDIA There were some definite take home messages from India; 1) Do not waste time and energy on trying to address the high tariffs on fresh fruit; competing countries that ship fruit greater distances than South Africa to India face the same tariffs and are growing their trade; 2) Ensure you export a robust fruit. Although the cold chain is developing, there is limited cold chain infrastructure. But more than that – once fruit leaves the formal supply chain it faces some harsh conditions. Extremely high temperatures in summer; poor roads and loading and offloading onto tuk tuks, bicycles etc. It gets handled a lot.

3) Those who are presently in India know the value of dealing with a reliable local partner. That partner can smooth over problems on arrival, monitor quality, monitor the market (competing products) and ensure product integrity until sold. Do good credit checks before settling on a partner (we met up with a South African bank operating in India who can assist with that).

ANDY LEE

A sad announcement for the citrus industry is the passing of Andy Lee. Andy battled for some time with a weak heart and after recent complications passed away on the 10th September 2014. He will always be remembered as an unselfish, honest, willing and innovative individual who put the welfare of the greater industry ahead of himself. We salute his valuable contribution and offer our heartfelt condolences to Gwen and his three children.

Andy joined SACCE 1972 as assistant to Louis von Broembsen in developing the industry's variety and citrus improvement programmes (CIP) and became actively engaged in identifying superior budwood trees in commercial orchards across the country. He located the site near Uitenhage (suitable for citrus production but relatively isolated from all known vector or spore transmissible citrus diseases), which was purchased by the industry for the development of the Citrus Foundation Block. He also sought and discovered the highly regarded Thys du Toit to manage the CFB and who has gone on to play a key role in the CIP/CIS ever since. Andy was also instrumental in the establishment of SACNA, the Nursery Advisory Service and the Procedural Guide for the South African CIP. Perhaps one of the major achievements along with the 'CIP Team' includes the almost complete elimination of Phytopthera in South African Nurseries. In recent years Andy consulted overseas. He returned to South Africa, to PE in early 2000 as Manager of CRI Cultivar Development within the CRI.

PACKED AND SHIPPED

To Week 37 **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	13.1 m	17.9 m	15.3 m	17.1 m	14.4 m	16.5 m	15.5 m	17.9 m
Soft Citrus	7.5 m	8.1 m	9.7 m	7.9 m	9.2 m	9.2 m	10.1 m	8.4 m
Lemons	10.2 m	10.3 m	13 m	10.3 m	12.7 m	12.1 m	13.5 m	10.6 m
Navels	24.5 m	25.3 m	25.6 m	25.3 m	25.4 m	25.8 m	25.8 m	25.4 m
Valencia	35.4 m	39.3 m	38.2 m	29.4 m	29.5 m	49.5 m	48.1 m	51.4 m
Total	90.7 m	100.9 m	101.7 m	90 m	91.2 m	113.1 m	113 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)