justchad_cga

FROM THE DESK OF THE CEO (13/15)

Justin Chadwick (10 April 2015)

QUOTE OF THE WEEK "Don't ever take a fence down until you know why it was put up" Robert Frost

EXPORT VOLUME ESTIMATE

The Citrus Marketing Forum (CMF) met on 26 March to consider the estimated export volume from southern Africa in 2015. The preliminary estimate was subject to more discussion at exporter and variety focus group level – before being finalized. In total the estimate is lower than the 2014 actual packed for export figure – at 113.1 million 15 Kg cartons (down 2.2% from 2014's 115.7 million).

Soft citrus exports remain steady at 10 million cartons; while Satsuma's increase by 2% to 1.8 million cartons, and mandarins increase by 4% to 5.3 million cartons, clementines are down 5%. Within the mandarin category novas are 21% down (alternate bearing), while late mandarins are up 23% (planted tree's reaching bearing age).

In the orange category both valencia and navel types reduced their volume estimate by 3.5% compared to 2014 actual; **valencia** decreasing from 50.9 to 49.1 million cartons; and **navels** from 26 to 25.1 million cartons. The main reason for the decrease is the hail experienced in Senwes and Western Cape growing regions.

Lemon volumes continue their upward path with a small 2.9% increase – up from 13.2 million cartons in 2014 to 13.6 million in 2015.

Grapefruit show a decrease – down 2% from 15.6 in 2014 to 15.3 million cartons in 2015 (but still way off the 18.2 million grapefruit packed for export in 2013). Exporters have stated that this estimate could decrease by 16 to 20% as the season unfolds and quality specifications become clearer.

	Valencias	Grapefruit	Navels	Lemons	Soft Citrus	Total Citrus
2013	51.4	18.2	25.4	10.6	8.4	114.1
2014	50.9	15.6	26.0	13.2	10.0	115.7
2015*	49.1	15.3	25.1	13.6	10.0	113.1

**2015 estimated - Note this summary is in millions of 15 kg equivalent cartons for comparison purposes and includes volumes from Swaziland and Zimbabwe.*

WEEKLY UPDATE FROM RUSSIA

Every week the CGA's representative in Moscow, Mikhail Fateev, sends through an update on the status of the citrus market in Russia. This weekly update is distributed to a wide range of CGA and FPEF members – if you are a member of CGA or FPEF and would like to receive the weekly update; please send me your contact details.

PACKED AND SHIPPED

Unfortunately we are entering a season that has "difficult" written all over it; world markets are still under recessionary pressure; geopolitical decisions lead to uncertain market conditions; protection of domestic producers become a priority and our own volumes available for export continue to grow. Responsible decision making will mean keeping unwanted or oversupplied fruit out of the market (sell domestically or processed). Responsible decision making means ensure that you have a fixed deal on your fruit – a chaotic marketing environment attracts speculators. Rather deal with responsible partners – those who have proven their worth through thick and thin. These responsible partners will honour contracts – preferably with definite volume, quality and price specified. Strict payment conditions will allow exporters to identify the responsible partners (who will willingly enter such agreements, and honour them); while those calling for consignment sales or partial payment deals are hard to find when the market goes south. The message from Russia is that there are a lot of Egyptian oranges of substandard quality available, selling at very low prices – this situation will continue through to end May. The weak ruble has resulted in food inflation of 16-17%; Russian importers are looking to secure fruit at lower prices – be careful!! Care is also needed in the Middle East where strict payment conditions must be imposed – this is not the year to speculate!!! Growers need to ensure that they understand fully what terms and conditions their export agents are negotiating; at the end of the day the grower bears the losses resulting from a poor deal.

To end Week 14 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB	**2013**	**2014**	**2015**	**2014**	**2015**	**2015**	**2015**	**2014**
Grapefruit	0.1 m	0.1 m	0.1 m	-	-	15.3 m	15.3 m	15.6 m
Soft Citrus	0.9 m	0.5 m	0.8 m	0.3 m	0.5 m	10 m	10 m	10 m
Lemons	1.1 m	0.9 m	1.1 m	0.5 m	0.8 m	13.6 m	13.6 m	13.2 m
Navels	-	-	-	-	-	25.1 m	25.1 m	26 m
Valencia	-	-	-	-	-	49.1 m	49.1 m	50.9 m
Total	2.1 m	1.5 m	2 m	0.8 m	1.3 m	113.1 m	113.1 m	115.7 m