

FROM THE DESK OF THE CEO (14/15)

Justin Chadwick (17 April 2015)

QUOTE OF THE WEEK "I've searched all the parks in all the cities and found no statues of committees" G M Chesterton

AGOA

Piet Smit (CGA Vice Chairman) and Bruce McEvoy (CGA representative in the US) are part of a high level government and business delegation that has been in Washington over the past week meeting various role-players with regard to renewal of the African Growth and Opportunity Act (AGOA). The present AGOA period comes to an end in September 2015 – and gives citrus exporters duty free access to the US market. Apart from the financial benefits of AGOA – the Act has also created a platform for discussions between South Africa and the US on a wide range of issues. This opportunity to engage in a positive framework must not be underestimated – many market access challenges have been addressed and resolved through this opportunity. The developmental role that AGOA has played is very evident in the citrus industry – apart from the employment opportunities, those exporting to the US are involved in a range of social responsibility ventures.

During the week I was privileged to address a trade facilitation workshop organised by Trade and Investment Kwazulu Natal, the US Consulate and USAID. The topic was exporting of an agricultural commodity to the US. In this presentations seven factors were highlighted. **Common language** (yes the Americans do speak English!!) – what is more important than the spoken word is the written word. When contracts, regulations and requirements are translated there is the risk that mistakes are made. To negotiate and finalise these aspects in a common language is a huge advantage – as an example of the flip side consider the present confusion with regard to exports to Russia and the new labelling requirements. Different importers are supplying different wording in Russian – and the authorities are giving little guidance of what the official Russian wording should look like. Exporters could have product blocked due to incorrect wording. **Developed and integrated banking system** – in many cases the supplying of product is easy; getting paid less so. In countries that have a banking system that is both well developed and integrated with the South African banking system the process is a lot easier. Every year there are accounts of exporters battling to get payments from various countries around the world – this is not the case with US exports.

Clear and transparent regulatory system – although many may claim that the US have too many rules, the advantage with the US is that the rules are clear (once again the common language helps) – and one can follow them on websites or documentation. In addition – changes to regulations are well advised and normally give time for adjustment. **Infrastructure** – trade between South Africa and USA is pretty well balanced; thus shipping opportunities are available. In addition, the US has well developed cold chain facilities and refrigerated transportation. **Product recognition** – the US consumer is very familiar with the citrus varieties produced in South Africa. This negates the need for a consumer awareness or education campaign; and what is pleasing for the South African citrus exporters is the rising demand for summer citrus. **Government relations** – trade is facilitated when governments have a close and warm relationship. South Africa has always had strong ties with the US government. And **AGOA** (as mentioned above). We hope that those making decisions will recognise the valuable developmental role that AGOA has played in Africa and move to renew AGOA for a further fifteen years.

CGA LEVY

As we get into the new season exporters are reminded that the 2015 levy on export citrus fruit (administered by CGA) is 53 cents (excl. VAT) per 15 Kg carton (2014 was 50c/carton).

PACKED AND SHIPPED

To end Week 15 Million 15 Kg Cartons	Packed	Packed	Shipped	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB	2014	2015	2013	2014	2015	2015	2015	2014
Grapefruit	0.5 m	0.3 m	0.1 m	0.2 m	0.1 m	15.3 m	15.3 m	15.6 m
Soft Citrus	1 m	1.2 m	0.5 m	0.7 m	0.9 m	10 m	10 m	10 m
Lemons	1.3 m	1.3 m	0.7 m	0.8 m	1.1 m	13.6 m	13.6 m	13.2 m
Navels	0.1 m	-	-	-	-	25.1 m	25.1 m	26 m
Valencia	-	-	-	-	-	49.1 m	49.1 m	50.9 m
Total	2.9 m	2.8 m	1.3 m	1.7 m	2.1 m	113.1 m	113.1 m	115.7 m

SOUTHERN AFRICAN CITRUS GROWERS HAVE INVESTED IN THEIR FUTURE THROUGH THE ESTABLISHMENT AND CONTINUED FUNDING OF CGA, XSIT, CRI, RIVER BIOSCIENCE, CGACC AND CITRUS ACADEMY