

FROM THE DESK OF THE CEO (11/16)

Justin Chadwick 1 April 2016

"The first step in the risk management process is to acknowledge the reality of risk. Denial is a common tactic that substitutes deliberate ignorance for thoughtful planning" Charles Tremper

CBS RISK MANAGEMENT SYSTEM (RMS) FOR 2016 EXPORT SEASON

DAFF have released the CBS RMS for 2016 – growers are encouraged to contact CGA in order to get a copy.

EMPLOYMENT NEEDED

Experts believe that there are 600 000 University graduates in South Africa who are failing to find employment. It must be extremely frustrating and depressing for these young South Africans who have dedicated years of study to find that they cannot find a job. Many undergraduates who cannot find jobs then go onto post graduate studies – and end up being over qualified. The Citrus Academy also has some bursary beneficiaries battling to find employment. This is an appeal to employers who can take on these graduates – whether that be as interns or on a more permanent basis - to please make contact with the CGA or Citrus Academy so that we can match your needs with the available candidates.

MORE DETAIL ON THE CITRUS MARKETING FORUM (CMF) EXPORT VOLUME ESTIMATE FOR 2016

Valencia Oranges

Growers estimate the Valencia orange crop to be down by twelve percent from the record 52.7m cartons in 2015, to 46.4m in 2016. The areas of Letsitele, Senwes and Hoedspruit, which jointly produce almost fifty percent of all Valencia oranges from Southern Africa, have all highlighted the drought and hail damage as the major contributing factors to the reduction in volume. However, at the time of writing, late rain has arrived in most of the Northern growing areas, which will have a positive effect on the crop, especially in regard to fruit size.

Navel Oranges

The Navel orange crop is estimated to be up by just over two percent to 25.1m cartons. Although Senwes was badly affected by the drought and hail and expected to be down by fourteen percent, the Eastern Cape growing regions of Sundays River Valley and Patensie will be up by seven- and nine percent respectively, with the Western Cape also expected to be up by as much as fourteen percent.

Grapefruit

Grapefruit exports are expected to reach 12.4m cartons (15kg), down by twenty-three percent from 2015's record export. Drought in the Letsitele and Onderberg areas and severe hail damage in Hoedspruit are the major factors behind the drop in volume, exacerbated by the fact that 2016 was to be an "off" year anyway in terms of the production cycle. Although fruit size distribution will favor the smaller counts, Grapefruit growers have indicated that they will continue to support initiatives which aim to respect the demands of each of their markets in terms of timing, volume and specification.

Lemons

Lemon exports from Southern Africa are expected to continue its growth trend, with an increase of seven percent estimated for 2016, translating into a total volume of 16.1m cartons. Most of the growth can be ascribed to new plantings coming into production, particularly in the Sundays River Valley and Senwes area.

Soft Citrus

With many new orchards coming into production in 2016 soft citrus growers are expecting their total exports to grow by twelve percent to 11.2m cartons. The season is predicted to offer good availability on the bigger sizes and excellent eating quality from all regions.

Whilst the drought that has gripped large parts of the country has had a significant impact on the citrus export crop, it is clear that farmers prioritised their high value varieties with the limited water they have had available. Some uncertainty as to the onward impact of the drought on the 2017 crop still exists, but with the arrival of late rain in the Northern areas and further evidence that the El Niño cycle has been broken, the picture looks far more positive now than a few weeks ago.

Against this backdrop, Southern African citrus growers are cautiously optimistic about the prospects for the 2016 season and their continued ability to supply citrus fruits of the highest quality to discerning markets around the globe.

	Valencias	Grapefruit	Navels	Lemons	Soft Citrus	Total Citrus
2014	50.9 m	15.6 m	26.0 m	13.2 m	10.0 m	115.7 m
2015	52.7 m	16.1 m	24.5 m	15.1 m	10.0 m	118.3 m
2016*	46.4 m	12.4 m	25.1 m	16.1 m	11.2 m	111.2 m

15 Kg cartons; including
South Africa, Zimbabwe and
Swaziland