

FROM THE DESK OF THE CEO (28/16) (Follow me on Twitter justchad_cga)

Justin Chadwick 29 July 2016

"The big lesson from this devastating disease (citrus greening) is to keep an eye out for what's occurring internationally and be willing to address issues before major problems occur" Bob Shatters USDA ARS

CITRUS GREENING

A rather frightening prophecy was highlighted in media reports last week – a USDA Agricultural Research Services researcher stating that mathematical and epidemiological models predict that by 2019 the Florida citrus industry will no longer be commercially viable. Although much research is being done, and some promising results are being achieved, the fact that the disease drops production by 40% and doubles management costs means that many orchards will become unsustainable. The researcher (Bob Shatters) explains that citrus greening (otherwise known as HLB) is a "perfect storm" disease due to the long latency period (two years) before symptoms are visible on trees.

Biosecurity has long been a focus of the CRI – and more recently the appointment of Hennie Le Roux as Biosecurity Manager has added to this focus. Hennie and CRI have followed up on reports of greening north of our borders. To date the risk to the southern African citrus industry is not immediate – but this could change overnight. Added to the risk of geographic spread of the disease southwards is the risk of importation of the disease through the many host plants. [Please keep Hennie in your thoughts and prayers as he struggles with poor health].

SUNDAYS RIVER CITRUS COMPANY (SRCC) INVEST IN THEIR FUTURE

Growers in the Sundays River valley are investing heavily in their future. New plantings are found throughout the valley. In preparation for the increased volumes the SRCC opened their newest packhouse in Kirkwood – in fine style they hosted over 400 guests at the facility for a sit down dinner and entertainment. The facility has already created 240 more direct jobs in the packhouse; with additional capacity to double this when the next pack line is installed in a few years' time (looking at the number of young trees this will be sooner rather than later). To the Chairman of the SRCC (Paul Marais), MD Hannes De Waal and all the shareholders congratulations on a fine facility.

OPERATIONAL ISSUES AT DURBAN CONTAINER TERMINAL (DCT) PIER 2 [Mitchell Brooke]

The wheels seem to have fallen off the bus this year with regards to the operations at DCT Pier 2. The operational statistics which are collected daily show that the average truck volume handled at the gates on a daily basis has decreased by as much as 30% with the average total turnaround time for the trucks that are staged at roughly 300 minutes since June. The worst recorded period was a total turnaround time of roughly 600 minutes. Most transporters are only able to achieve one container load a day and they are complaining bitterly that the low productivity is having a huge impact on their financial viability. The transporters are at the stage of threatening to blockade the entrance to DCT if the productivity is not improved. DCT have indicated there is a massive backlog in maintenance of equipment which is out of service, they have also indicated that large numbers of staff have been suspended recently. All in all this is causing a backlog of reefer containers entering the terminal and in so doing is causing a backlog at the Durban cold store facilities. Transnet Port Terminals CE, Mr Karl Socikwa, addressed stakeholders at a meeting last week and urged for understanding at this time and committed to resolving the issues as soon as possible. A good question has been raised that as Transnet is a monopolistic state entity, should the countries container terminals not be regarded as national key points?

PACKED AND SHIPPED

To end Week 22/7/16 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB/AGRIHUB	2014	2015	2016	2015	2016	2016	2016	2015
Grapefruit	14.1 m	14.4 m	12.5 m	12.8 m	11.5 m	12.4 m	12.9 m	16.1 m
Soft Citrus	7.6 m	7.3 m	9.3 m	6.5 m	7.9 m	11.2 m	11.7 m	10 m
Lemons	11.5 m	12.4 m	12.8 m	11.5 m	12 m	16.1 m	15.2 m	15.1 m
Navels	19.7 m	19.5 m	22 m	16.6 m	19.4 m	25.1 m	23.9 m	24.5 m
Valencia	12 m	12.2 m	13 m	7.8 m	7.6 m	46.4 m	41.6 m	52.7 m
Total	64.9 m	65.8 m	69.6 m	55.2 m	58.4 m	111.2 m	105.2 m	118.4 m

SOUTHERN AFRICAN CITRUS GROWERS FUND THEIR FUTURE THROUGH THE CGA GROUP (CRI, RIVER BIOSCIENCE, XSIT, CGA CULTIVAR COMPANY, CGA GROWER DEVELOPMENT COMPANY AND CITRUS ACADEMY)