FROM THE DESK OF THE CEO (13/17)

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Justin Chadwick 10 April 2017

"The past is really almost as much a work of the imagination as the future" Jessamyn West

ECONOMIC PARTNERSHIP AGREEMENT (EPA)

2017 will be the second year after inception of the EPA between the EU and SADC. This agreement includes a provision for the reduction in the duties on oranges for the period 16 October to end November. Over a nine year period these duties will reduce to zero; decreasing at 9% per annum. The first cut happened following implementation in October 2016. In October 2017, the second cut will be implemented, bringing the duty to 82% of the basic duty (16%) – thus to 13.12%.

LAND REFORM

The recent publication of the Regulation of Landholdings Bill for public comment has resulted in a lot of discussion and debate. These regulatory changes, if enacted, could have far reaching impacts on citrus growers. CGA is in close contact with AgBIZ with regard to the process. If any CGA members would like more information please mail justchad@iafrica.com.

CGA's ROLE IN MARKET INTELLIGENCE AND MARKET ENGAGEMENT

During the last CGA strategic session concerns were raised regarding the increased plantings of citrus orchards in southern Africa, particularly lemons and soft citrus. Since then there has been much discussion regarding CGA's involvement in addressing issues of increased supply and market stimulation. It is important to distinguish between different activities that may be needed to ensure supply matches demand, and also what CGA's role should be in these activities. From the outset two main categories of activity were identified – market intelligence and market engagement. From the CGA Summit, grower meeting and CGA Board meeting it was confirmed that Market Intelligence is seen as a CGA function; therefore resources will be employed by CGA for this function. This would include collection of data and information; analysis on this data and information and distribution to all growers. This would be for oranges, grapefruit, soft citrus and lemons. This would also include some market research – i.e. target market research in selected markets to determine what potential there is to expand market demand; as well as guidelines as to what interventions could be used to stimulate this increase in demand.

The role of CGA in market engagement, at this stage, is one of facilitation and support. Should a variety focus group decide to pursue a market engagement programme, CGA could assist in facilitating grower meetings in this regard. In addition CGA could assist in the administration of the programme – with some funding from the variety focus group to enable adequate resourcing. Funding of market engagement projects would be at the discretion of the members of the variety focus groups.

There remain strong views both for and against CGA's role in enhanced market engagement. CGA is the growers Association – leadership and management will ensure that the debate continues and resources are allocated in the best interests and requirements of citrus growers in southern Africa.

EXPORTS FROM SOUTH AFRICA TO SOUTH KOREA AND JAPAN

The Japan and South Korean programme are up and running. **Japan**: The inspector has been busy with the Annual Audit. Inspections can take place so packing can commence for Japan. The cost of the programme has been set at R1.21 + VAT per carton. The first invoices will be sent out shortly and payment is due by the 8th May 2017. For queries please speak to Faisal Asmal on 082 679 6082. **Korea:** The first Korean inspector has also arrived and elected to visit the Eastern Cape region to conduct on-site visits to PUCs. It is hoped that over the weekend the Inspector will approve the PUCs that registered so that packing and inspections can commence from early next week. The costs for the South Korean programme has been calculated at R1.82 + VAT per carton. The first invoices will be sent out shortly and payment is due by the 8th May 2017. Rauff Dawood can take queries for this programme on 083 281 8267.

PACKED AND SHIPPED

The early part of the citrus season is underway with 2.4 million cartons of lemons packed (almost 50% from Hoedspruit region), soft citrus 900 000 cartons (W and E Cape and Nelspruit) and 400 000 cartons grapefruit (Limpopo River) (all 15 Kg). Negligible quantities of oranges have been packed. 56% of the lemons have been exported to the Middle East, 19% to Russia and 20% to South East Asia (2016 43%, 6% and 15% respectively). 52% of soft citrus has been exported to UK, 24% to mainland Europe and 20% to Russia (2016 – 34%, 31% and 7%).

THE CGA GROUP OF COMPANIES (CRI, RIVER BIOSCIENCE, XSIT, CGA CULTIVAR COMPANY, CGA GROWER DEVELOPMENT COMPANY AND CITRUS ACADEMY) ARE FUNDED BY SOUTHERN AFRICAN CITRUS GROWERS