

FROM THE DESK OF THE CEO (39/17)

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Justin Chadwick 13 October 2017



“Procrastination is the art of keeping up with yesterday” Don Marquis

DAFF COORDINATING MEETING

The citrus industry gathered en masse at the Annual Coordinating meeting in Addo this week. Almost 300 people crammed into the hall at Africanos as DAFF and industry dissected the 2017 season and planned for 2018. The Chairman, Ernest Phoku, started by congratulating the citrus industry on the role that they played in the economy of the country – as agriculture pulled South Africa out of a recession.

In later newsletters, I will expand more on the feedback, but what is important for now is for all in the industry to note the registration dates for 2018 exports. Most significantly, it should be noted that DAFF have adopted Phytclean as their official registration platform (congratulations to Paul Hardman and his team for developing such a world-class system). **Registrations will open on Monday 16 October** and the system will be open through to 10 November. The Draft Registration list will be on the website from 27 November, allowing for changes up to 1 December. The final approved list will be on the DAFF website on 13 April 2018.

FEEDBACK FROM MITCHELL BROOKE ON OPERATIONAL PROBLEMS AT THE DURBAN CONTAINER TERMINAL (DCT)

Last season the wheels of the bus fell off at DCT, but this year not only did the wheels fall off but the bus fell overboard! The multi-pronged issues are related to industrial action, equipment failure and poor planning (amongst others) leading to **very poor** productivity. The resultant effect means truck congestion at the terminal gates and vessel delays causing disruptions to schedules. To give an example of how bad the productivity is at DCT, a recent visit to the Algeciras's port in Spain where a typical vessel handling 6,000 TEU's takes roughly 36 hours to complete, DCT is taking up to 5 days to do the same (if we consider the Maersk Safari service, Durban's biggest carrier). A number of vessels diverted Durban and displaced containers at Ngqura Container Terminal (NCT) in Port Elizabeth, leading to problems emanating in that region as the terminal became constrained with an overrun of [reefer] transshipments, which had to be rerouted back to Durban on feeder vessels. Due to the high reefer occupancy at NCT the terminal had to manage by crisis and prohibit acceptance of reefers on short notice. The main issue here is not only the severity of the disruptions to the landside logistics, but more so the disruption to the vessel schedules, which meant citrus consignments by and large missed the weekly deliveries to receivers; who use this as leverage to penalize exporters and reduce the price agreements. So all the way along the chain, the producers end up fitting the bill with the main culprits (Transnet) not having any consequence. Minister Gigaba stated that South Africa's recovery from the recent recession was largely attributed to agricultural exports (citrus as a main contributor), so therein lies a clear message to Transnet: that the number one priority is to support the fruit [citrus] industry. This season a record 122 million cartons of citrus was exported with an expectation of over 130 million around the corner; we simply cannot have the ports being a barrier to trade in this fashion when the stakes are this high.

PACKED AND SHIPPED

Slight adjustments have made to predicted soft citrus, navels and Valencia to bring them in line with actuals.

To End Week 40 Million 15 Kg Cartons SOURCE: PPECB/AGRIHUB	Packed 2015	Packed 2016	Packed 2017	Shipped 2016	Shipped 2017	Original Estimate 2017	Latest Prediction 2017	Final Packed 2016
Grapefruit	16.1 m	13.8 m	15.7 m	13.2 m	14.2 m	15.6 m	15.7 m	13.8 m
Soft Citrus	10 m	12.1 m	13.4 m	11.3 m	13 m	13.2 m	13.4 m	12.2 m
Lemons	14.9 m	15 m	19 m	14.6 m	18.8 m	17.5 m	19 m	15 m
Navels	24.5 m	26.2 m	21 m	25.5 m	21 m	26.3 m	21 m	26.2 m
Valencia	52.2 m	41.1 m	52.5 m	39.1 m	48.3 m	50.1 m	52.9 m	41.8 m
Total	117.7 m	108.2 m	121.2 m	103.7 m	115.3 m	122.7 m	122 m	109 m

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