

FROM THE DESK OF THE CEO (47/17)

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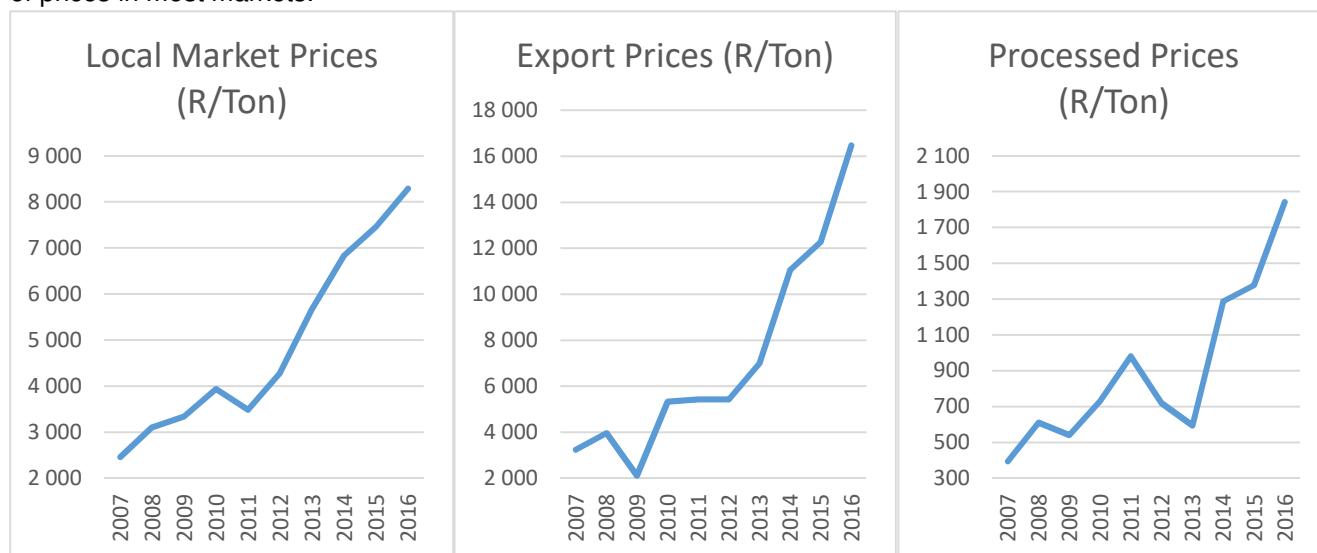
Justin Chadwick 8 December 2017



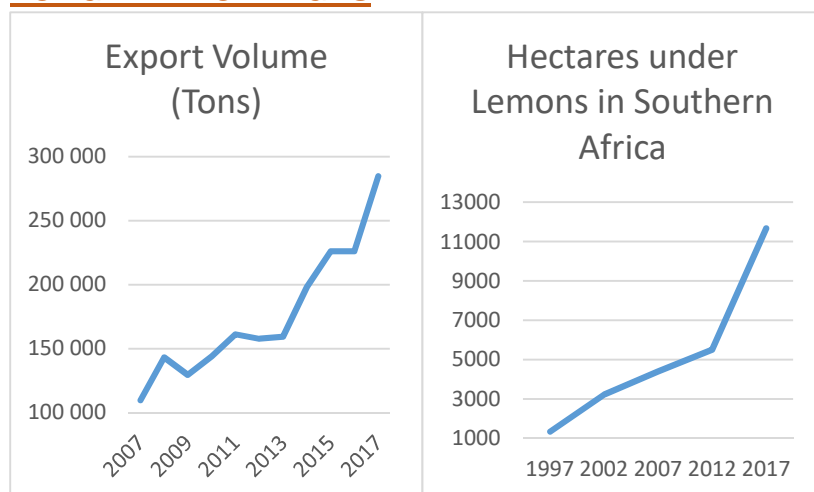
“Not everything that can be counted counts, and not everything that counts can be counted” Albert Einstein

LEMON REVIEW

Lemon growers who persevered through the period 2000 to 2010 welcomed the change of fortunes for the sector after 2012/3. Due to a number of reasons prices climbed to historic highs – on the supply side the biggest southern hemisphere exporter suffered a number of years of climatic difficulties, as did many other lemon producing countries. On the demand side the health attributes of lemons attracted many to the sector, especially in Asia. Diversion of lemons to the export market had an effect on local market and processed returns as a lemon became a scarce commodity. Across the country, growers were attracted to the sector – resulting in new plantings across the country. These plantings are getting to producing export grade fruit; and already prices are under pressure. Although official 2017 prices have as yet not been published – reports indicate a sharp decrease of prices in most markets.



LONG TERM CHANGES



The lemon plantings over the past five or so years are now starting to reach maturity – after 2 years of 15 million carton export volumes – 2017 saw a record 19 million cartons being exported. Whereas the 2012 tree census showed 5 514 hectares under lemons, the 2017 census shows a doubling to 11 685 hectares. Expect export volumes to remain on the increase, and prices to come under pressure.

LEMON SHIPPING 2017

Every destination experienced an increase in lemon volumes in 2017, except the UK, which dropped from 1.5 to 1.4 million cartons (less G&T's?). The Middle East remains the forerunner – increasing from 6.5 to 7.5 million cartons. Europe is second – increasing from 3.2 to 3.8 million cartons. Both South East Asia (2 to 3 million) and Russia (1 to 2 million) increased by a million cartons. North America increased marginally from 0.6 to 0.8 million cartons.

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