

FROM THE DESK OF THE CEO (05/18)

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Justin Chadwick 2 February 2018

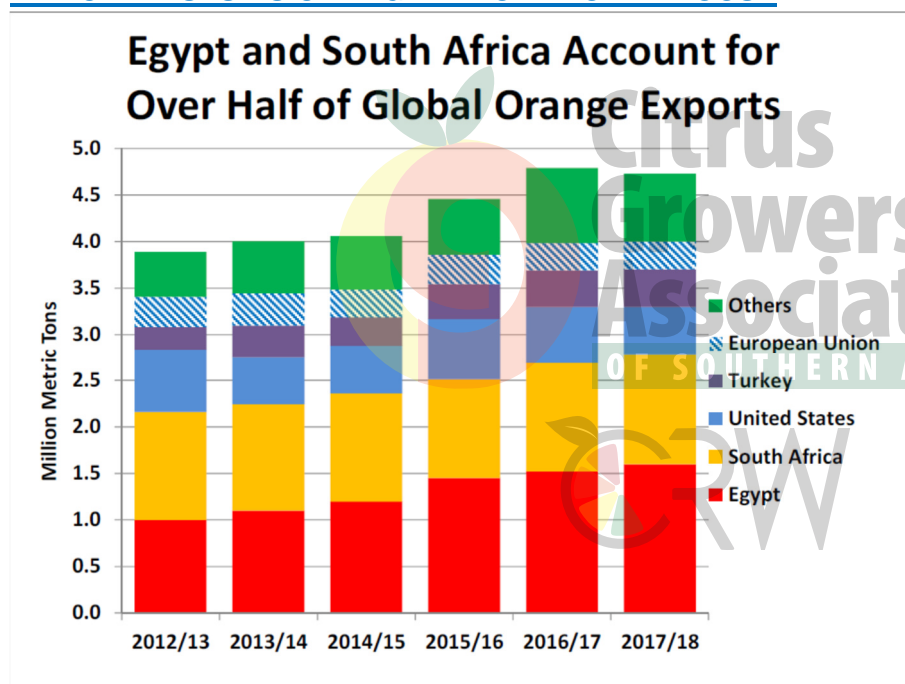


“Laughter is the sun that drives winter from the human face” Victor Hugo

FRUIT LOGISTICA BERLIN

In 2000 I attended my first Fruit Logistica – as a newcomer to the fresh produce industry I was dumbstruck by the diversity in product and supplying countries. Having then been in my position for a few months my network was small and my diary empty. I had a lot of time to walk around the trade show and take in the magnitude of this sector. Thereafter Berlin became an annual pilgrimage – and as my network grew my diary filled up and less time was spent exploring the show. Some four years back, due to new appointments and a changed focus my annual pilgrimage stopped. So it is with a sense of excitement that I pack my bags (especially winter clothing) and head back to Berlin next week. My diary for the week is packed with interesting meeting, I anticipate spending time with friends from all over the world, the only regret is that I probably will have too little time to explore and learn. Please come and visit the South African Pavilion in Hall 26/D-14.

AFRICA ARISES AS ORANGE EXPORT POWERHOUSE



The January 2018 publication “Citrus: World Market and Trade” published by USDA Foreign Agricultural Service shows Egypt now exports 1/3rd of world oranges, and South Africa 25% - meaning that exports from Africa account for over half of world orange trade. The report shows that South Africa dominates grapefruit exports accounting for almost a third of the global export volume. South Africa is the leading southern hemisphere lemon exporter; while soft citrus is the most competitive sector.

WHAT IS EXPECTED IN 2018

As the first month of 2018 flies by, some thoughts on what to expect in the forthcoming season:

- Although the crop estimates will only be prepared in March, it can be anticipated that export volumes will be impacted by the drought in the Western Cape and parts of the Eastern Cape.
- New plantings of lemons and soft citrus will continue to reach export bearing fruit age, but the increase in export volumes will be influenced by the drought.
- The FCM Management System (FMS) will result in new challenges and disruption to normal procedures. Growers and supply chain partners will need to ensure that the FMS works.
- The rand has strengthened and pundits foresee that it will strengthen further. Those who rely on rand weakness to ensure profitability will need to rethink. A leading grower/exporter calculated that a 10% rand strengthening would result in a 35% decrease in farm gate prices. Pundits forecast that the rand could strengthen to below R10.50 to the US\$.
- Progress in market access initiatives – particularly wider access to the USA, and changed protocol conditions for China. Essential for the future sustainability of the industry.
- More policy certainty – but not necessarily agricultural friendly – as the ANC comes under new leadership and prepares for 2019 elections.