

FROM THE DESK OF THE CEO (48/18)

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“When you blame others, you give up your power to change” Robert Anthony

HOW GOOD WERE THE VARIETY FOCUS GROUPS IN ESTIMATING THE 2018 CROP?

Given the late season the last Citrus Marketing Forum (CMF) of 2018 did not have the opportunity to consider the actual versus estimates for 2018. They actually make interesting reading. The total citrus packed for export volume estimate was 132.7 m cartons and the actual was 135.2 m; a mere 2% difference. Four of the five Variety Focus Groups (soft citrus, lemons, navels and Valencia) were within the 5% variability goal – it was only grapefruit that bucked the trend. The Valencia focus group pulled their socks up and got the volume spot on.

	2007		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Grapefruit	-20%		2%	8%	1%	-9%	-15%	-14%	-7%	6%	12%	-1%	11%
Soft Citrus	-18%		1%	9%	Spot on	14%	Spot on	3%	10%	-1%	9%	1%	3%
Lemons	4%		-16%	8%	-6%	-9%	-6%	-5%	8%	10%	-7%	7%	-4%
Oranges	-18%	Navel	-8%	11%	-6%	-8%	7%	2%	1%	-3%	6%	-20%	4%
		Valencia	-3%	12%	-11%	-3%	-1%	6%	Spot on	5%	-11%	7%	Spot on
TOTAL	-17%		-5%	10%	-7%	-5%	-1%	5%	1%	4%	-2%	Spot On	2%

Breaking this down into regional results shows another picture – and highlights the fact that if one region has a reduction in volume, this is taken up by another region; showing the strength of the wide geographic spread of production regions.

	VAL	NAV	GF	LEM	SC
Sundays River	-23%	-15%		3%	12%
Senwes	31%	35%		-8%	
Letsitele	4%		23%		
Hoedspruit	-7%		7%		
Western Cape		-1%			-5%
Patensie		-11%			-5%
Limpopo River	19%				
Onderberg			6%		
Boland					1%
Nelspruit					-6%

Only regions with 10% or more of the specified citrus groups export volume are reflected in this table. Although the Valencia Focus Group as a whole had the estimate spot on – only one region (Letsitele) was within the 5% goal, and one other (Hoedspruit) within 10%. Spectacularly out where both Sundays River and Senwes. The same is true with navels – with only Western Cape within the 5% (which is quite a feat given the dry conditions). Grapefruit estimation was poor, while lemons were acceptable. The Soft Citrus Variety Focus Groups did remarkably well. In particular, the Boland estimate was very close, surprising given the increased plantings in the region.

FIXATION

In the aviation world a few airline disasters have been blamed on what is called “pilot fixation”. It is a psychological condition where the pilot is fixated on landing the plane – no matter that the warning signals in the cockpit are telling him to abort the landing. The emergency alarms are activated, the lights are blinking, but he carries on regardless as he is fixated on landing the plane. I wonder if some citrus growers do not suffer from “export fixation”- they have prepared the orchard for exports, the fruit from the orchard passes all the quality and phytosanitary inspections and the fruit is ready to get packed (or in some cases is already in the carton). But the warning signs are there – the markets are oversupplied and the price is coming down, agents are warning against exports; and yet the consignment is still exported. The grower is fixated on the fact that export fruit always earns better than local or processed fruit, and even when the information shows that export market prices are no better than local/processed fruit prices – the fruit is still exported.

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