

FROM THE DESK OF THE CEO (34/19)

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Justin Chadwick 23 August 2019

“If you owe your bank a hundred pounds you have a problem. But if you owe a million, it has”

John Maynard Keynes

EXPORTS FROM MAPUTO PORT VITAL FOR ADDRESSING DURBAN PORT CONGESTION (M Brooke)

There is no doubt that exporting citrus produced in Eswatini, Mpumalanga and Limpopo from Maputo port makes total sense. However, for any reasonable amount of volume to be exported from Maputo, shipments to Far East (China and Japan), Asia and Middle East are essential. Since exports to China and Japan require preclearance inspections by DALRRD, and given that these shipments require in-transit cold treatment, it will be necessary to build an approved cold treatment facility on the Maputo corridor. The most feasible and practical way to ship these containers would be to rail empty containers (PTI and calibration completed at DP World) from DP World to the facility, pack the containers and rail them back to DP World to be plugged into stack awaiting shipment. The rail line between Nelspruit and DP World is very efficient and railing containers from SA to Mozambique offers advantages from a border clearance point of view against road trucking containers. The best approach to this is considered to be a multi-party investment between shipping lines, Transnet and producers (either independently or through Exporters) all having an interest in the long term viability of the project. Indications are that at least 5,000 containers per season could be shipped from Maputo (10% of northern regions export volume per season). For more information regarding rail transport contact Mitchell Brooke – mitchell@cga.co.za.

BFAP BASELINE AGRICULTURE OUTLOOK 2018-2028

Some highlights for those who have not read the report. In his summing up Dr Ferdi Meyer highlighted four key policy and investment priorities; 1) Land reform and farmer support 2) Infrastructure and technology development; 3) Good statistical baseline information; and 4) Focused drive on increasing market access – these priorities resonate with those of the citrus industry.

The presentation also talked about “bending the curve” of agricultural GDP growth. This also resonates with the citrus industry where Pieter Nortje spoke at the 2017 CGA Citrus Summit about “breaking the cycle”. High value labour intensive export industries have shown the best results in terms of meeting the goals of the National Development Plan (NDP) – ticking the boxes of growing the agricultural economy and increasing agricultural jobs. Unfortunately for the economy, the short to medium term prospects are grim – it is going to get worse before it gets better in a weak growth, low inflation scenario.

The importance of developing and adopting water saving technologies was stressed at the meeting.

Download full report from https://www.bfap.co.za/wp-content/uploads/2019/08/Finale-baseline-2019_FINAL.pdf.

PACKED AND SHIPPED

100 million cartons now packed!!

Million 15 Kg Cartons to end Week 33	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB/AgriHub	2017	2018	2019	2018	2019	2019	2019	2018
Grapefruit	15.3 m	18.2 m	15.5 m	16.2 m	13.7 m	17.1 m	15.7 m	18.8 m
Soft Citrus	12 m	14.3 m	16.1 m	12.7 m	13.9 m	18.3 m	18.9 m	16.2 m
Lemons	17.9 m	17.8 m	20.3 m	16.7 m	17.2 m	22 m	22.4 m	19.9 m
Navels	20.5 m	25.5 m	21.9 m	23.7 m	18.6 m	26.9 m	23.2 m	26.7 m
Valencia	31.9 m	27.6 m	26.1 m	18.6 m	17.5 m	52.9 m	47.1 m	54.4 m
Total	97.6 m	103.4m	99.9 m	87.9 m	80.9 m	137.2 m	127.3 m	136 m

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