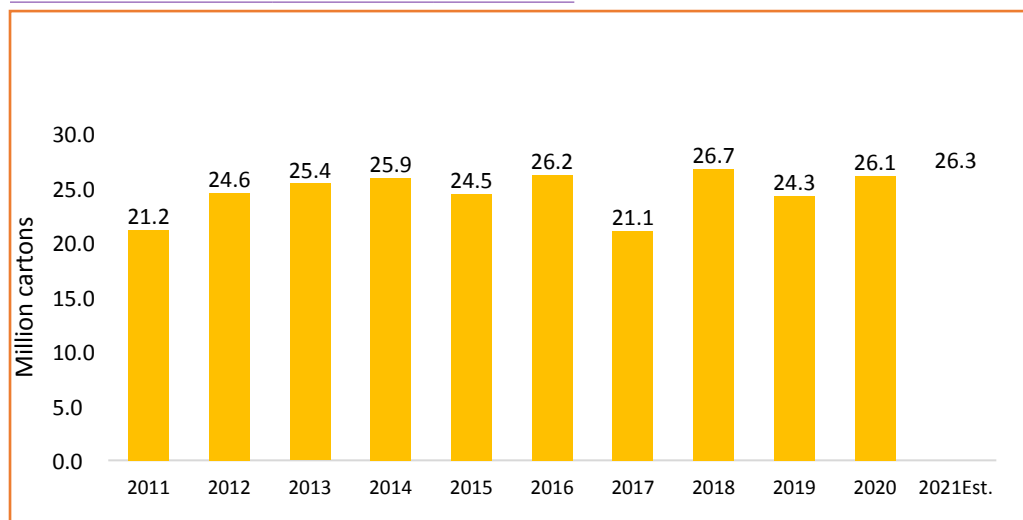


"If my mind can conceive it, and my heart can believe it, I can achieve it" Muhammad Ali

REEFER EQUIPMENT SUPPLY FOR THE 2021 EXPORT SEASON

The estimates received by the Variety Focus Groups (162m 15kg cartons) indicates that 95,000 reefer containers will be needed to export this years citrus crop. When we include the Deciduous and Subtropical fruit volume it equates to 120,000 reefer containers needed between April and October. Mitchell Brooke drafted a report which forecasts the equipment demand by port by export market, this was shared with Transnet and all major shipping lines that transport fruit. The information was shared very early in March and feedback indicated there could well be a challenge in meeting this demand. Further investigation identified there is a challenge globally in repositioning of reefer equipment to places around the world where they are needed. Since there is such a high demand for general freight movement out of China to the USA, South America and EU; with exorbitant freight rates being charged due to the high demand, lines are forgoing allocating space on vessels to reposition reefer containers. Another factor is there is a massive demand for protein products (pork) due to the Swine Flu pandemic in China, so many reefer containers are being shipped from USA, South America and EU back to China. So it seems there is a perfect imbalance in trade flows causing an equipment stock pile in China. The severity of this issue has affected the Deciduous exports from the Western Cape with devastating consequences on exports. The CGA's Mitchell Brooke and Deon Joubert thought it prudent to meet with all major lines to discuss this challenge; amongst other challenges around port operations and capacity. The main feedback points going into the 2021 season are, 1) The probability of reefer equipment shortage is being closely monitored, 2) freight costs are likely to be high this year as SA competes in the current global freight demand cycle, 3) specialized reefer ships are coming and additional ships can be brought in based on demand, be wise and use this opportunity to move fruit, 4) exporters are cautioned to ensure market prices can cover the higher cost of freight, 5) capacity and infrastructure will be tested to the limits if the volume meets the estimates, and 6) Transnet's ability to manage the flows will be paramount to achieve success in 2021.

WEEKLY STATISTIC: 2021 NAVEL ESTIMATE



The 2021 southern African navel estimate is almost exactly the same as 2020 actual export volumes. This is the second highest navel crop to date. The navel sector seems now to be stabilising at around the 26 million carton mark.