***FROM THE DESK OF THE CEO (1/20)***

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*Justin Chadwick 10 January 2020*

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| ***“Strength shows not only in the ability to persist, but the ability to start over." F. Scott Fitzgerald*** |

**BEST WISHES FOR 2020**

As we start a new year I would like to wish all of you a happy, prosperous and fruitful 2020. I hope that 2020 is filled with happiness for you and your families. It is important to be happy – and to a large extent happiness is a choice. For sure we are faced with many difficulties, bereavements and tragedies that make it difficult to remain happy; it is how you approach these setbacks that is important. Mental health is as important as physical health – please consider others that may be facing their own demons, and lend them your support. Prosperity is defined by different people in different ways. Although most see it in monetary terms, others measure it differently. For some prosperity is measured by the quality time they have with family, for others it may be spending time with nature, while it could be having an adventure for others. In whatever way you measure prosperity, I hope 2020 delivers what you desire.

It is important that we all benefit society and do our bit for those less fortunate. A fruitful life is a productive life – and that is my wish for you in 2020.

**HOW IS 2020 LOOKING?**

There seem to be a number of headwinds that will impact on the 2020 southern African citrus exports. We will discuss these in a little more detail at the grower roadshows in February (will send out updated information on roadshows next week).

* Although tensions in the Middle East may seem far away, they are having an impact on the oil price. A headline a week back suggested a move back towards US$100 a barrel. Any increase in the oil price will have knock on effects on transport costs – which will impact on long distance suppliers.
* Problems in South African ports have not abated – and over December there are reports of excessive vessel delays in Durban harbour. 2019 will be remembered as a year best forgotten by the monopoly port owner and operator in South Africa. There are many who are trying to get things right in time for the citrus season – they must succeed.
* Dry conditions in the main citrus growing regions may temper the forecast growth in southern African citrus volumes. The volumes from new orchards of lemons and soft citrus coming into maturity may be offset by reductions in oranges and grapefruit in those regions impacted by dry conditions.
* Having said that there have been fairly good midsummer rains – and conditions could change quickly. Collectively, the global citrus industry needs to stimulate demand for our outstanding product. Most citrus producing countries have seen an increase in area planted to citrus – and we need to stimulate demand to keep up with supply, otherwise returns will suffer. For South Africa we need to get some long standing market access processes concluded in 2020.
* It seems that the northern hemisphere citrus crop will be lighter in 2019/20, which could mean a smooth transition between the seasons.
* However, globally economic conditions are still tight; and it is likely that consumer prices will remain constrained.
* The rand has been like a yoyo over the past 6 months, generally trending lower. The probability of further downgrades will probably lead to further rand weakening. The only counter would be some substance to the ruling party’s promise of economic revival, corruption busting and turn around strategies for State Owned Enterprises.