

FROM THE DESK OF THE CEO (19/22)

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Justin Chadwick 13 May 2022



“Facts do not cease to exist because they are ignored.” Aldous Huxley

GROWER INDABA

In 2000, it was confirmed that market access was the key priority that united all growers in southern Africa, and that the means to ensure new market access, retention and optimisation of markets was research. Growers formed the CGA and invested in the resources to ensure the necessary research was conducted. Fast forward to 2022 and the southern African citrus industry are facing different market access challenges – the ability to get fruit from packhouse to, and through, the ports and onto vessels, equipment availability and shipping opportunities, and the skyrocketing freight costs. On Monday 9 May CGA members were invited to attend a Grower Indaba in Pretoria. Apart from growers, the meeting was attended by Fruit South Africa, AGBIZ, Resolve, CGA Group (CRI, RBX, CGA CC, CGA GDC), CGA staff, Competition Commission and Bureau for Food and Agricultural Policy (BFAP). BFAP presented a sobering citrus farm level analysis that illustrates the difficult economic conditions over the study period (to 2030). **All growers will be invited to Zoom meetings that will be held end May/early June where the BFAP presentation and Indaba outcomes will be covered – keep an eye out for the invitations.**

One of the main reasons for the dire economic realities faced by southern African citrus exporters are the skyrocketing freight rates. Exporting at these rates is unsustainable. A number of solutions have been identified. These solutions will be researched further – and discussed with citrus growers, exporters and the other fruit sectors in South Africa.

CITRUS RESOURCE WAREHOUSE

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PACKED AND SHIPPED

Packed and shipped volumes continue to lag behind the past two years. There are a number of reasons that could be behind this reduction. The Durban floods coincided with April public holidays, resulting in many growers deciding to delay picking until last week. In addition, the unrest and criminal activities in the Eastern Cape resulted in lost packing days. There will also be some impact from the poor economics of exporting citrus – in general import prices remain flat while costs are on the increase; resulting in a cost-price squeeze, which is impacting growers’ decision to hold back on marginal fruit. Reports from the port are that the volume of trucks arriving in the port are ramping up – the situation will be clearer in the next few weeks.

End of Week 18 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB/AGRIHUB	2020	2021	2022	2021	2022	2022	2022	2021
Grapefruit PP (17kg)		0.8 m	1 m	0.2 m	0.4 m			
Grapefruit Class1&2 (17kg)		5.1 m	3.7 m	3.2 m	2.1 m			
Grapefruit	4.5 m	6.7 m	5.3 m	3.9 m	2.8 m	16.8 m	16.5 m	17.5 m
Mandarins	2.9 m	3 m	2.4 m	1.9 m	1.3 m	34.5 m	34.4 m	30.9 m
Lemons	10 m	9.7 m	6.9 m	7.3 m	4.8 m	32.3 m	32 m	31 m
Navels	0.8 m	0.9 m	0.2 m	0.2 m	0 m	28.7 m	28.7 m	27.2 m
Valencia	0 m	0 m	0 m	0 m	0 m	58.2 m	58.2 m	55 m
Total	18.2 m	20.3 m	14.8 m	13.3 m	8.9 m	170.5 m	169.8 m	161.6 m

THE CGA GROUP (CRI, RIVER BIOSCIENCE, XSIT, CGA CULTIVAR COMPANY, CGA GROWER DEVELOPMENT COMPANY & CITRUS ACADEMY) ARE SUPPORTED BY AND WORK FOR THE SOUTHERN AFRICAN CITRUS GROWERS’