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| ***FROM THE DESK OF THE CEO (33/18)*****(Follow me on Twitter justchad\_cga)***Justin Chadwick 17 August 2018*  |  |
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**“One machine can do the work of 50 ordinary men; but no machine can do the work of one extraordinary man” Elbert Hubbard** **PMA FRESH CONNECTIONS**This past week PMA held a very successful PMA Fresh Connections in Pretoria (congratulations Lindie and your team). One standout comment was that of Whitey Basson (Founder and retired CEO of Shoprite). He was speaking on the topic “Future of retail in Africa”. He said that his staff would often claim that there was a “gap in the market”; and his response would be “Yes, but is there a market in the gap”. There is a lot of focus on Africa – a growing middle class, more connectivity through internet and smart phones, improving logistics and a growing population means that Africa is gaining attention of those with product to sell. Coupled with increasing technical barriers to trade in traditional markets, and rising fuel, transport and distribution costs makes Africa an attractive option for fresh produce exporters in the south of the continent. These opportunities were highlighted by a number of speakers, and should not be discounted. However, Mr Basson suggested caution in approaching these markets – they may not deliver on the expectations. For the southern African citrus industry product is well received in the SADEC region – but southern Africa only represents 9% of the African population. East Africa is the largest region in terms of population (38%) – and the study conducted by NAMC and Dr Mashaba indicate some opportunities for fresh fruit into this region (and one retailer mentioned Kenya as the next country for expanded store roll out). The above-mentioned study indicated that West Africa held a lot of promise for fresh fruit – and with 23% of the population the gap may be there. South African apples have already pioneered market access into this region. Another point highlighted by the speakers was the rapid urbanization in Africa – from 25% in 1980 to 40% in 2014 (Nigeria is at 50%). This means a lot more consumers concentrated in a smaller geographic location, purchasing fruit at various points (informal and formal markets). A third factor gaining attention of retailers and fresh produce marketers is the changing taste and behaviour of consumers. More and more consumers are becoming interested in the look and provenance of the food they consume – “they eat with their eyes and their touch”. This aspect of the “story” behind your product was highlighted in other discussions – consumers want to know what your product represents; was it produced in an environmentally sound manner, was it produced in a manner that treated workers fairly and with dignity, is it safe and healthy. The rest of Africa hold great promise for citrus exporters at the southern tip of the continent; but make sure that there is a “market in the gap”.**PACKED AND SHIPPED**As the grapefruit seasons unfolds, the Grapefruit Focus Group have once again increased their prediction (from 17.9 m to 18.6 m); almost an additional 2 m cartons over the original estimate (10.7%). With soft citrus now moving to late mandarins, the Soft Citrus Focus Group also increased their prediction from 16.6 m to 17 m; just over 2 m cartons higher than originally estimated (16%). There were slight adjustments to the orange predictions; navels up from 25.3 to 25.4 m, and Valencia down from 51.7 m to 51.3 m. Overall the predicted volume is still tracking the original estimate of about 132 million cartons (1 980 000 tons).

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| To Week 32Million 15 Kg Cartons | Packed  | Packed | Packed | Shipped | Shipped | Original Estimate | LatestPrediction | Final Packed |
| **SOURCE: PPECB** | 2016 | 2017 | 2018 | 2017 | 2018 | 2018 | 2018 | 2017 |
| Grapefruit | 13.2 m | 15.2 m | 17.9 m | 13.4 m | 16 m | 16.8 m | **18.6 m** | 15.7 m |
| Soft Citrus | 10.6 m | 11.4 m | 13.5 m | 10.2 m | 12.2 m | 14.7 m | **17 m** | 13.4 m |
| Lemons | 13.8 m | 17.7 m | 17.2 m | 16.8 m | 16.1 m | 20.6 m | 19.9 m | 19 m |
| Navels | 24.7 m | 20.1 m | 24.7 m | 18.9 m | 22 m | 25.7 m | **25.4 m** | 21.1 m |
| Valencia | 21.9 m | 28.1 m | 22.1 m | 18 m | 13.1 m | 53.9 m | **51.3 m** | 53.8 m |
| **Total** | **84.2 m** | **92.5 m** | **95.4 m** | **77.3 m** | **79.4 m** | **131.7 m** | **132.2 m** | **123 m** |

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