

FROM THE DESK OF THE CEO (35/19)

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“Fifty lemons are a load for one person, but for fifty persons they are perfume” Ethiopian Proverb

This week saw the Navel Focus Group, Valencia Focus Group and Grapefruit Focus Group having their final teleconferences of the 2019 season where the growers' representatives for the different Citrus Growers' Association of Southern Africa regions discuss local growing conditions, market developments and update the projections of the final citrus export crop. At this late stage in the season with the grapefruit and navels all but done, we are looking at final volumes of citrus packed and passed for export being seven percent down on the original estimate done in March. Navel oranges, down eleven percent and Valencia oranges, down 13 percent had the biggest influence. Grapefruit was also down six percent. Alternate “on-off” years in terms of yield seem to be the main reason for the oranges and grapefruit being down, particularly in the northern regions. Senwes in particular showed a massive swing; down thirty-three percent on their record 8,9 million cartons Navel crop last year and almost forty percent on their similarly huge 8.2 million cartons Valencia packing in 2018. Apart from the decrease in yields, growers from this region were faced with lower pack-outs due to wind scarring, smaller fruit and poor colour. The poor colour development, particularly for late valencias was a common theme for the northern regions. Limpopo River, Hoedspruit, Zimbabwe and Eswatini all look to finish around twenty percent down on their Valencias compared to last year. The Eastern Cape regions, on the other hand packed very similar volumes to those of last year. Looking for the positives, the lower export volumes saw improved prices in the markets, particularly as the season progressed. Late recovery in prices in the Chinese and Russian markets relieved what looked to be developing into a calamitous year for the grapefruit growers and exporters. Valencia prices are currently good in all markets.

As is to be expected with the growing hectares of lemons and soft citrus in the country, these commodities are expected to finish two and three percent up on estimate; thirteen and seventeen percent up on 2018 respectively. Market reports indicated that 2019 is the longest northern hemisphere orange and lemon season to date with some European retailers switching to South African fruit later and later in the season or not at all. The soft citrus exports got off to a rocky start with satsumas performing poorly although the clementine volumes compensated to some extent to give Europe and the UK a steady supply. The growth in Nova volumes was directed mainly to non-European markets. The final Soft citrus Focus Group teleconference will be held next Tuesday where the late mandarins will come under the spotlight.

A recurring theme during the variety focus group teleconferences this year has been the frustration with port delays' impact on shipping. As indicated in this article, 2019 has been characterized as being an “off” year in terms of production. Next year could see a significantly increase in volumes which would require vastly improved efficiencies.

PACKED AND SHIPPED

Million 15 Kg Cartons to end Week 35	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB/AgriHub	2017	2018	2019	2018	2019	2019	2019	2018
Grapefruit	15.5 m	18.3 m	15.8 m	16.6 m	14.1 m	17.1 m	16 m	18.8 m
Soft Citrus	12.9 m	15.4 m	17.3 m	14.1 m	15.5 m	18.3 m	18.9 m	16.2 m
Lemons	18.4 m	18.7 m	20.9 m	17.7 m	18.1 m	22 m	22.4 m	19.9 m
Navels	20.9 m	26.2 m	23 m	25.1 m	20.4 m	26.9 m	23.9 m	26.7 m
Valencia	39.8 m	37.3 m	34.8 m	27.3 m	25.8 m	52.9 m	46.2 m	54.4 m
Total	107.5 m	115.9 m	111.8 m	100.8 m	93.9 m	137.2 m	127.4 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