

NAVEL FOCUS GROUP

MINUTES OF THE NAVEL FOCUS GROUP TELECONFERENCE HELD AT 14:00 ON 27 MAY 2015

1. Welcome

The chairman, Gabriele Van Eeden welcomed all.

2. Election of Chairman and Vice Chairman.

Since no face to face meeting had taken place this year, these posts had not been voted on. Gabriele Van Eeden and Hannes de Waal were both unanimously re-elected as chairman and vice-chairman respectively.

3. Present

Gabrie van Eeden	(Chairman)	Western Cape
Hannes de Waal	(Vice Chairman)	Sunday's River Valley
Barry Mildenhall		Eastern Cape Midlands
Graham Piner		Nelspruit
Hendrik Schoeman		Senwes
Graham Barry		(observer – on behalf of CGA)
John Edmonds		secretariat – CGA

4. Apologies

Eric Nohamba	Citrus Development Chamber
Danie Matthewson	Vaalharts
Phillip Dempsey	Patensie

5. Approval of Minutes of Meeting held on 13 August 2014.

The minutes were approved.

6. Matters Arising from Minutes

There were no matters arising.

7. Projections for 2015

Please refer to the appendix1 below for the latest projections.

Overall the projection indicates **a drop of 3% on the 25.1 million cartons estimate to 24.4 million cartons**. Senwes are down to 5 million cartons from 2013's 7.1 million cartons. The season appears to have started strongly due to Western Cape being two weeks ahead of normal and Sunday's River Valley and Eastern Cape Midlands are also early this season. Senwes are slightly slower due to insufficient cold units.

Sunday's River Valley: Hannes de Waal left the estimate unchanged and colour, internals and sizing were good. Sizing as follows:

36 – 3%; 40 – 7%; 48 – 15%; 56 – 20%; 64 – 21%; 72 – 20%; 88 – 11%; 105 – 4% Packouts are improving as they go from early navels to mid-season navels.

Senwes:

Hendrik Schoeman noted that the scarring and hail was even worse than predicted, it is a low crop season and sizes were small in other parts of his region (72; 88). Acid levels are borderline but brix is very good. Thus the projection was lowered another 10% to 5.00 million cartons.

Western Cape:

Gabrie Van Eeden reported no change on the estimate, but moved 1 million cartons from late to early Navels. He reported very good internals, sizing of 72,64,56 but was concerned about some creasing. They are about two weeks ahead of normal packing. He indicated similar situation for Boland moving 50000 cartons to the early season. He said that Jaco Burger would be joining this group for future teleconferences to give their feedback.

Nelspruit:

Graham Piner said that their internal quality is very good. Currently sizing is 48; 56 due to young orchards being harvested but he expects this to settle later to 64s. Timing is normal.

Patensie:

Philip Dempsey (via email) changed his estimate to 3 million cartons. Sizes are currently 56/64/48 but it is early days and they have just started. He noted that marking requirements and tests for Canada are a huge administrative issue.

Eastern Cape Midlands:

Barry Mildenhall left his estimate unchanged at 785 000 cartons. They are 10 days early, peaking on 72s with good internals and no creasing.

8. Markets

Far East:

Hendrik Schoeman reported that there was not a lot of fruit in their area suitable for Far East. Prices are similar to last year and the grey channel was under pressure.

Hannes de Waal said they were just starting with Far East. USA had left this market early. He concurred with Hendrik saying that the grey channel issue bigger than that of CBS. As China does not have a bagging category the protocol is very harsh and unforgiving. Gabriele Van Eeden agreed, noting experience with USA and urged extreme caution with this protocol.

Russia:

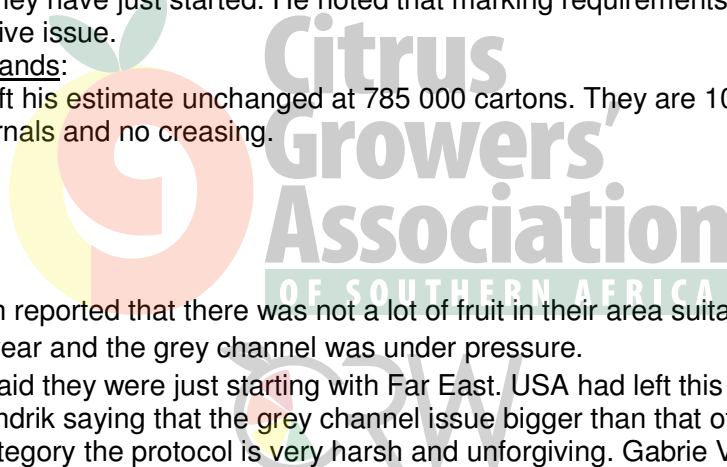
General consensus was that this market is slow with low prices (recently between \$8 and \$8.50 fob) but on the positive side they are buying, fruit is moving and the Egyptian fruit is poor. Hannes felt that the labeling protocol for Russia is very exact and frustrating and would be a huge challenge for less sophisticated pack-houses, especially with valencias. Discussion on ways to alleviate this situation indicated that the Russians are steadfast and inflexible in their dealings with the issue.

Canada:

Prices are poor like Middle East and Russia, and importers are cautious. Graham Piner noted that growers in his region who had targeted this market and not used Dithane had suffered with effects of copper burn on their fruit.

Middle East:

Hendrik Schoeman said that this market had opened up okay, but prices were now under pressure. Hannes de Waal felt that this market will get its fruit because of the situation with Russia and Europe.



Europe:

It was generally felt that Europe will be a tough market especially with the exchange rate. Hannes de Waal noted that CBS is still a big threat. Programs should be okay but the wholesale market is uncertain. The UK is the same as last year, very stable.

USA:

Gabrie Van Eeden noted that Californian exports were down due to quality. This left more fruit in the USA market (about 2 million cartons not exported to Far East). This left the Western Cape in a predicament where they had to hold back in spite of having good quality. On the positive side, the exchange rate is favourable.

9. General

No additional items were raised.

10. Next Meeting.

Wednesday 24 June at 14:00.



Appendix1:

Projection of Navels volume to be packed for Export in 2015 (15kg equivalent cartons.)

CGA Region	2013	Total2014	2015 Est.				Projection 1: 27 May 2015			
			Navel	Late Navel (≥ wk 28)	Cara cara	Total2015Est	Navel	Late Navel (≥wk 28)	Cara cara	Total 2014
S.R. Valley	6 337 788	6 507 688	3 500 380	2 770 000	400 000	6 670 380	3 500 380	2 770 000	400 000	6 670 380
Senwes	7 121 440	5 797 582	4 485 405	962 776	106 715	5 554 896	4 000 000	900 000	100 000	5 000 000
W. Cape	6 108 468	7 248 214	3 196 000	3 102 000	112 800	6 410 800	4 200 000	2 100 000	120 000	6 420 000
Patensie	2 584 003	3 277 310	1 700 000	1 450 000	50 000	3 200 000	1 400 000	1 550 000	50 000	3 000 000
Nelspruit	1 537 028	1 528 121	1 260 000	120 000	195 000	1 575 000	1 260 000	120 000	195 000	1 575 000
Midlands	781 641	722 882	350 000	425 000	10 500	785 500	350 000	425 000	10 500	785 500
S-KZN	233 673	163 499	100 000	100 000		200 000	100 000	100 000		200 000
Boland	331 646	386 315	200 000	120 000		320 000	200 000	120 000		320 000
VaalHarts	172 339	170 212	170 000	40 000	10 000	220 000	170 000	40 000	10 000	220 000
Limpopo	119 825	64 525								-
Letsitele	19 665	48 715								-
other	71 372	81 107	150 000	50 000		200 000	150 000	50 000		200 000
Grand Total	25 418 888	25 996 170				25 136 576	15 330 380	8 175 000	885 500	24 390 880

