

FROM THE DESK OF THE CEO (23/17)

(Follow me on Twitter justchad_cga)

Justin Chadwick 23 June 2017



“If history repeats itself, and the unexpected always happens, how incapable must Man be of learning from experience” George Bernard Shaw

CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA (CGA) CELEBRATES 20 YEARS

CGA was inaugurated at a meeting on 19 November 1997. At the second meeting of the Board of Directors on 13 March 1998 it was decided that Board members votes would be weighted in line with volumes exported from their respective regions. The voting percentages are quite interesting when comparing 1997 to 2015 (when record export volumes were achieved).

In total 44 million cartons (15 Kg equivalents) were exported in 1997 – fast forward to 2015 where volumes increased to 118 million cartons.

At that second meeting of CGA the Eastern Cape was taken as one region and was the biggest at 11.6 million cartons – 26% of the total. Today it has been split into Sundays River, Patensie and Eastern Cape Midlands. It remains the biggest region, now representing 32.6 m cartons or 28% of the total. In 1997 Letsitele and Hoedspruit were combined and represented the second biggest region at 8.9 million cartons, 20% of the total – that region remains second biggest at 28.8 m carton or 24% of the total. Western Cape and Boland combined remain third largest – in 1997 at 7.9 m cartons (18%); 18.3 m in 2015 or 16%. In 1997 Onderberg was fourth at 4 m cartons (10%) – alternative crops has meant little growth to 2015 (4.8 m) and a big drop in percentage to 4%. Swaziland and Senwes both exported 3 m cartons (7%) in 1997 – since then these two regions have experienced very different fortunes; Swaziland decreased to 0.7 m cartons as a result of alternative crops while Senwes grew to 13.8 m cartons or 12% of the total – fourth highest of the “old regions”. Sharks country (KZN) has decreased from 2.7 m cartons (6%) in 1997 to 2.2 m cartons (2%) in 2017 – once again due to alternative crop options. Limpopo region increased from 1.9 m cartons (4%) to 6.6 m (6%), while Nelspruit region showed similar fortunes increasing from 1.4 m (3%) to 6.5 m (6%). Zimbabwe increased from 0.2 m to 2.5 m cartons – now representing 2% of southern Africa’s total citrus export volume.

New kid on the block Oranje Rivier was not exporting citrus in 1997 – in 2015 the region exported 1.2 m cartons or 1%. These changes will probably not surprise those in the industry, regions showing decreases were largely dependent on grapefruit. With poor performance in that sector growers moved to alternatives, mostly sugar cane. With careful management by the Grapefruit Focus Group this category is showing a stellar performance. With the introduction of a sugar tax – could we see a swing back to grapefruit?

Chrystal ball gazing would probably show an increase in the Western Cape, Eastern Cape and Senwes as soft citrus and lemon plantings start to come into export production. Traditional orange regions may decrease in terms of percentage of the total export volumes.

PACKED AND SHIPPED

With half of southern African grapefruit already shipped it is interesting to note that the distribution mirrors 2016 – EU 50%, South East Asia 15%, North America 4%, and Middle East 3%. The only change is Asia decreasing from 20 to 18% which is taken up by Russia (7 to 9%). The Grapefruit Focus Group has decreased their predicted volume by 0.5 million cartons

The EU has received less fruit across the board when compared to 2016 – lemons 31 to 21%; navels 38 to 35%; soft citrus 63 to 57%. As has the Middle East – lemons 44 to 42%; navels 29 to 24%; soft citrus 8 to 7%. Increased market share has been experienced in South East Asia – lemon 14 to 17%; navels 13 to 14%; soft citrus 8 to 12% - and Russia – lemons 6 to 14%; navels 4 to 7% and soft citrus 8 to 13%.

In the soft citrus category the satsuma variety ended up 9% less than original estimate. To date 80%+ of clementines have been packed; while mandarins have just begun (36% packed).

To End Week 24 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB/Agrihub	2015	2016	2017	2016	2017	2017	2017	2016
Grapefruit	12.7 m	10 m	11.7 m	7.4 m	8.5 m	15.6 m	14.8 m	13.2 m
Soft Citrus	5.8 m	7 m	6.8 m	5.9 m	5.7 m	13.2 m	13.2 m	12.2 m
Lemons	9.1 m	9.2 m	11.9 m	8.4 m	10.2 m	17.5 m	17.5 m	15 m
Navels	12.2 m	13.5 m	10.5 m	10.2 m	7 m	26.3 m	22.6 m	26.2 m
Valencia	2.1 m	1.6 m	2.8 m	1.5 m	0.9 m	50.1 m	49.4 m	41.8 m
Total	41.9 m	41.3 m	43.7 m	33.4 m	32.3 m	122.7 m	117.5 m	108.4 m

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

