

FROM THE DESK OF THE CEO (10/20)

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Justin Chadwick 20 March 2020



"It is the microbes that will have the last word" Louis Pasteur

SOUTHERN AFRICAN CITRUS ESTIMATE FOR THE 2020 SEASON

Southern Africa is expected to export a record 143.3 million cartons of citrus fruit to over 100 countries in 2020. This is a 13% increase when compared to 2019, which saw 126.7 million cartons being exported, generating R20 billion in export revenue and creating 120 000 jobs.

This increase should translate into more job opportunities, foreign exchange revenue and will contribute towards national government's goal of increased agricultural exports over the next few years.

The growth is largely as a result of new orchards coming into production and good rains across some regions.

Valencia oranges make up the biggest portion of the citrus export market at 35%, followed by navel oranges (19%), lemons (18%), soft citrus (16%) and grapefruit (12%).

The soft citrus and lemon categories are expected to show the highest growth in 2020. Soft citrus will see an increase of 28%, with the Boland region contributing 12% more cartons than last year. Regions in the northern parts of the country, including the Burgersfort/Ohrigstad region; Senwes and Hoedspruit will also see exponential growth in their soft citrus outputs.

The Sunday's River Valley, which exports almost half of the region's lemons is expected to export 12 million cartons this year, an 18% increase from 2019.

While we are confident that the 2020 season will be a success, we are also aware that there are events beyond growers' control that could impact final export numbers.

Most notably, the Coronavirus (Covid 2019) outbreak presents a new challenge to fresh produce exporters across the globe. It is encouraging that China's logistics services are expected to be fully operational soon, with cargo volumes and ship calls having swiftly rebounded over the past two weeks.

However, the outbreak across the European Union, the largest export market for South Africa's citrus, remains a concern and could still result in a decrease in demand and a shortfall of containers when the export season kicks off in May. It is therefore critical that exporters confirm that there are containers available before they start shipping. Challenges at South Africa's ports, including aging and out of service infrastructure as well as unresolved labour issues remain a threat to export volumes. However, the Citrus Growers' Association is proactively engaging with Transnet and welcomes recent steps taken by the company to improve operations at a number of the ports. This includes the procurement of new equipment for both the Port Elizabeth and Durban ports, which is expected to arrive before the start of the export season.

With the citrus industry expected to grow by a further 500 000 tons over the next three to five years, the Citrus Growers' Association will continue to focus on opening and expanding market access in key markets including China, USA, India, Philippines, Japan, Vietnam and the EU.

The sector looks forward to working with all its partners during the upcoming season in order to achieve another record year, and to contribute towards job creation and inclusive growth in the country.

COVID-19 LEADS TO CANCELLED MEETINGS AND A NEW WAY OF DOING BUSINESS

As we come to terms with new terms like social distancing and self-isolation, we also have to accept that this is business unusual. The governments banning of meetings with more than 100 people, the risks of domestic travel and other related constraints has resulted in the cancellation of sporting, cultural, religious and other events. The CGA Board has cancelled the Board meeting scheduled for 24/25 March 2020. Items on the agenda that needed urgent decisions will be dealt with by the Board via electronic means.

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