

"I am not young enough to know everything" Oscar Wilde

NORTHERN REGIONS VISITED IN SECOND WEEK OF CGA GROWER ROADSHOWS

This week the two CGA teams visited the northern regions, with the final meeting today in Zimbabwe (after the compulsory COVID 19 PCR test and a border crossing later this morning).

Some take home messages from the regions visited by my team this past week:

- Letsitele and Limpopo River regions did not get one millimeter of rain in February, Ohrigstad and Hoedspruit didn't do much better. Fortunately, most growers still have good water resources from excellent December and January rains. In Hoedspruit, my team may have brought some relief, as the rain bucketed down on a corrugated roof bringing a premature end to our presentations – one never complains about the rain.
- There were also localized incidences of hail in Burgersfort/Ohrigstad and also in Limpopo River (the first time in over 20 years for this region).
- Nevertheless, growers indicate that the crop is looking good, in general the trees have benefitted from rain and heat at the right time and there should be a good exportable crop on the tree. As these growers now prepare their estimates for the 2022 export crop, the meetings cautioned growers and the Variety Focus Group members to do so bearing in mind the consequences of huge increases in freight rates, input costs, energy and labor. In 2021 it would have been better for some fruit to have been left at home as returns did not cover costs; growers must do their sums in 2022 to ensure that export cartons are in fact profitable.
- Logistics continue to weigh on growers' minds, especially from these regions, which are in some cases, 1 000 km from the Durban port. Growers will look to Maputo to divert some volumes from Durban, but the bulk will still need to travel to this port. All in the supply chain will need to plan carefully, be linked into information on road conditions and port operations, in order to adopt and adapt to circumstances as they arise. Expect the unexpected in 2022.
- There was an excellent mix of youth and experience at all the roadshows. While it was great to catch up with the experienced members of the CGA (some we had not seen for two years or more), it was also encouraging to see the number of youngsters involved in the southern African citrus industry.
- Ninety percent of the roads we drove on could be classified as good to excellent, five percent were okay, while the remaining 5% can only be described as shocking. In particular, the R36 between the N11 and Lydenberg has all but disappeared – meaning a lot of weaving and avoiding of potholes and huge tipper trucks.

THE RUSSIAN UKRAINE CONFLICT

In 2021, the Russian Federation was number five in terms of export destinations for South African citrus importing 11.2 million (15Kg) cartons. Overall, South Africa exports approximately 8% of its fresh fruit to Russia. Currently our local citrus industry isn't severely impacted by the conflict in Ukraine as our export season has not yet started in big volumes. However, should it not be possible to export citrus to the region once the 2022 season kicks off in earnest, then fruit destined for Russia may end up in other markets – which could lead to an oversupply with resultant lower prices.

The major concerns at this stage would be the disruption to our logistics chain and payment schedule. The CGA has been engaging with exporters who are aware of the present risks and will manage these based on their commercial decisions and will consider alternative options, should the risk increase. The CGA will continue monitoring the situation and engaging with stakeholders across the value chain in order to try to mitigate the impact of the Ukraine conflict on the upcoming season.