

Chairman's report 2014

2015 has arrived with a bang and the festive season is a distant memory. It would seem that worldwide the worst of the economic crisis aftermath is over with countries like the United States and United Kingdom experiencing reasonable economic recovery post the 2008 crisis, but the Euro area has stagnated. Of the emerging countries, Russia is on the brink of recession whilst India / China continues to grow and outperform other markets.

For most countries around the world, 2014 would probably not be regarded as a good year. Weak economic conditions internationally, Ebola, ISIS, Ukraine and French terror attacks linger in one's memory. On the local front we have had Marikana, Nkandla, load shedding and riot police in parliament.

It is extremely easy to be sucked into the negative narrative of the daily headlines and it requires us to remain totally focused on growing and improving our businesses whilst continually looking for opportunity. Despite the tough economic environment, SA avocado growers have just come through a record export crop which was aided by deliberate and focused marketing plans and volume coordination – all resulting in a highly successful 2014 campaign in a well-supplied European and SA market. (The unique co-operation by all SA avocado role players cannot be over emphasized). The demand and consumption of avocados is growing and the momentum of opening new markets and destinations remains high priority.

SA growers are anticipating another good crop this year and early indications are that 13 to 14 million cartons could be exported in 2015. Fruit sizes look good with many new plantings now coming into production. On the forex front, the weakening Euro and strengthening Dollar will influence returns back to farm and every effort should be taken to supply the EU according to demand and thus retain competitive prices.

At the time of writing this article the leading SA exporters are attending Fruit Logistica, Berlin, meeting respective customers, firming up programmes and gathering market intelligence on global supply which provides the basis of our marketing plans for the year. In addition, the first ever Binational US/SA Agricultural Committee (USSAAC) established to open

the US market for South African Hass, met in Berlin – executives representing the top avocado companies from respective origins attended this landmark meeting.

In closing I wish to thank all growers for their continued support to this industry and the fantastic work done by Derek Donkin and his very competent team at Subtrop. May the 2015 season exceed all expectations.

Mark Baker

