



José - Antonio García  
Director



LinkedIn

**"When everything seems to be going against you, remember that the plane takes off against the wind, not with it" (Henry Ford)**

### South Africa export forecast

Our colleague Justin Chadwick, CEO of the CGA (Citrus Growers Association) reports on the Southern Africa forecast. By the way, I recommend following his weekly letters at <http://cga.co.za/page.aspx?ID=4571>

**Lemons: South Africa forecasts to export 485,000 tons**, an increase of 20,000 tons over what was exported in 2021. New young plantings are starting to bear fruit in some regions, such as the Western Cape, Senwes and Limpopo. However, weather conditions in the summer that were cooler than normal could result in smaller fruit in some regions, which could affect the total figure to be exported.

**Grapefruits: 252,000 tons are estimated to be exported this summer 2022.** However, a number of external factors could negatively affect this number, including the Russian conflict in Ukraine, due to Russia being a major importer of South African grapefruit.

South Africa faces to major challenges: rising input costs, and a significant increase in freight rates, as well as ongoing operational problems at the ports.



### Growth is a survival mechanism

The lemon business in Spain can be defined and described in many ways: sustainable, world leader in fresh exports, professional, local in a European scenario... but we can simplify its description with a simple number: **our business is called: 900 million euros of turnover.** If we compare that number with the one that defined us 15 years ago, for example, then the figure was 600 million euros. We have grown by 50%. This growth has been basically due to the increase in exports thanks to the increase in consumption, especially in European markets. Compared to other sectors, this is obviously a very modest figure. We can then include other interesting data to try to convince ourselves of how "important" we are: thousands of direct and indirect workers, thousands of hectares in production, business induced in sectors with which we are connected, environmental impact..... But the key number is that 900 million in turnover.

**Question: What is the future? Answer: Grow**

We can start this reflection from this premise that seems to be out of the question: **"Growth is a survival mechanism. If there is no growth, a company and a sector dies"**. Another interesting debate is how to grow: organically by investing resources in new projects (for example, incorporating new products) or markets, or by generating alliances, buying or investing in other companies to generate synergies and gain muscle. Either way: always with a focus on growth.



**Peter F. Drucker, the father of modern business management, states in his book "The Company in the Coming Society" that companies have three possible paths:**

- The first path, called the easiest and usually the most used, is to continue doing what worked in the past, however, following that path is tantamount to initiating a steady decline.
- The second path is that the current companies are replaced by newcomers' projects that introduce innovative organizations in the sector, and expel those who have chosen the first path.
- The third and final path is to become innovative and transformative companies themselves.

In other words, **companies in the lemon and grapefruit sector have three alternatives: to try to survive, to adapt to the new scenario by sharing the playing field with new projects that bring fresh ideas, knowing that they may be left out of the game, or to become themselves the ones that bring about or lead these changes.**

#### What's your path?

Despite the increase in lemon consumption, increasing that 900 million euro figure in the future seems to require more innovation, more size, more ideas, more diversification, a broader portfolio, more ambition... Because what doesn't grow... shrinks.