



CITEX

International Trade

CITEX Market Strategies (CMS)

Trip to China: Ginger Report 2019/2020

Introduction

With our dedicated fresh produce division lead by Mr Kuljit Lail, our understanding has further increased for the new season, due to the recent visit to the far east of China in the Shandong province. This deeper understanding of the harvest process and its operations has further helped to truly understand the end-to-end supply chain for this key global commodity and the associated cost drivers too.

We visited six of our trusted suppliers who have been in business with our team for several years. This supplier base was carefully selected and is currently exporting to a global client base with the UK and Europe being important and strategic avenues.

The visit allowed us to work with our independent technical team at source who actively select and load premium crop according to our customer specifications; ready for export and essentially adding value directly at the source to ensure our fresh produce range is of top quality and consistent with providing continuity of supply during the key export period.



Health, Safety & Environment (HSE)



We were impressed with our partner's ginger operations and their high regard for health, safety, and the environment. Key ginger markets such as the EU, are getting stricter with the recent introduction of the revised 'Smarter rules for safer food (SRSF)'; which naturally increases the farmers interests to comply with the highest of health and safety standards to sustain their position in these markets.

Farmers Quality Certifications:



Global G.A.P
Internationally recognised set of farm standards dedicated to Good Agricultural Practices (**GAP**)



EU Organic Certification
Organic farming and food focus on practices that are truly sustainable, using energy and natural resources responsibly.



HACCP
HACCP certification instantly demonstrates to customers your commitment to producing or trading in safe food



BRC
is a product and process certification standard known for compliance to industry best practices; internationally recognised mark of food safety and quality. Especially important for the retail industry.

Business Morals and Ethics

The well-being, safety and fair treatment of employees is an important part of Citex's policy. We will always strive to advocate the importance of complying with high standards in relation to Labour, Health and Safety, Environment and Business Ethics.



Ethical Certifications:

Smeta Audits:



- Labour Standards
- Health and Safety
- Additional elements:
 - a) Universal rights covering UNGP
 - b) Management Systems
 - c) Entitlement to Work
 - d) Subcontracting and Home-working
- Environment
- Business Ethics

Our company understands the importance of employee well-being and its integral part in achieving sustainable supply-chains for our exporting activities.

Farmers who were not yet Sedex/SMETA certified, were educated on its importance and advantageous stature that can be gained amongst western fresh produce importers.



Market Information



At the start of September 2019, Chinese ginger farmers were feeling confident that supplies for 2020 would be plentiful and were in no immediate rush to pick their planted ginger crop, this is partly due to a regional increase in ginger planting of 10% per MU (tonnage achieved per 666km of land), amongst farmers in the key growing region.

However, during the harvest season, poor weather conditions had a negative impact on crop quality with many farmers reporting a 20% decrease in yield per MU, however, others did later acknowledge that the overall yield loss verses 2018 is between 15–20%.

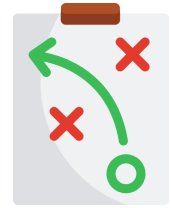
Moreover, the simple dynamics of supply and demand will essentially add a levy to ginger export prices for 2020; as supplies are lower than initially forecasted and global demand for ginger continues to steadily rise with domestic demand being a key contributor too.

Furthermore, Maximum Residue Levels (MRL) testing will also impact prices of ginger, especially those destined for the European market as new SRSF laws in the region make it mandatory for all fresh produce to fall in line with the new phytosanitary regulations.



Citex Market Strategies

Our aim is to provide top-tier trade services which are tailored around the demands of our international clients.



Our Services include:



Data Intelligence - our data analysts and internal data systems allow us to diligently pave robust trade avenues for fresh produce commodities into the global market.



On-time Deliveries - established relationships with growers and local freight companies, allow us to delivery with a high degree of accuracy



Fixed-Price Contracts - tailored fixed price contracts to fulfil bulk FCL quantities on a revolving monthly basis.



Premium Quality - achieved in our trade, product, and logistical services.



Added Value - achieved from the source of our raw material to the port of our clients destination.



Lower CO2 - by maximising the quality of yields achieved from each loaded container, we are able to lower our carbon footprint.



Logistics - achieve competitive freight prices with our structured contracts and network of global freight partners.

For more information contact us via email and a dedicated advisor will consult you within 24 hours.

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