

RSA Valencia oranges fetching record prices in Middle East

Lower volumes and smaller sizes has caused a significant decrease in the amount of South African Valencia oranges being sent to the Middle East in 2016.

According to a South African citrus trader, "The lower volumes are a direct result of the early-mid season Valencia varieties (incl. Midnight/Delta) having low tonnage pack outs and yielding sizes of 48/56 fruit (per 15kg), which is not suitable for the Middle East."

South African Navels have also suffered the same fate as the early Valencia and the shortage of oranges on the global market has caused pricing to stay reasonably high.

The shortage of the South African Valencia has driven prices to levels previously unheard of. Prices for 15kg class 1 count 72/88 are being sold at US\$ 12.00 FOB. Just in the past 7 days, prices are reported to be as high as US\$ 13.00 FOB.

The trader told Freshplaza that prices in Dubai have been at the Dhs 70-75/carton level for the last few weeks, at US\$ 19.00-20.00 per carton, and there is every indication that prices could continue to rise.

Another factor driving up prices in the Middle East is increased demand due to it being the Hajj period. The prices will most likely soften a bit as demand falls after the pilgrimage.

"There is a limit to which one can push the Valencia price in the Middle East before the customers switch to buying juice instead of oranges. Suppliers out of the RSA ought to take this into account when planning to supply for the remainder of the season," advised the trader.

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