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RSA reacts as US re-admits Argentine lemons

The return of Argentine lemons to the US will affect global trade in the long term, say South African growers, who expect the decision to reduce pressure on European markets and Russia

The re-entry of Argentine lemons into the US will change the dynamics of the international lemon trade, but it will take time to do so.

This is the reaction of South African industry leaders following the confirmation of the US Department of Agriculture that a new rule to allow lemon imports from Argentina will take effect this month.

This follows last week's trade talks between US President Donald Trump and Argentinian premier Mauricio Macri.

South African citrus sources say that the new deal will most likely be phased in over a period of time and will not greatly affect world trade in the short term.

"Longer-term, however, it could reduce pressure on the European and eastern Europe markets, including Russia," says Hannes de Waal of SRCC, South Africa's biggest lemon producer.

De Waal said it was hoped that the re-entry of Argentina after a 16-year import ban would also open the door for South Africa to introduce its lemons into this huge market.

The new deal makes provision only for imports to the northeastern US states, which is reportedly a measure designed to appease Californian growers who claim a resumption of imports puts their industry under threat.

The USDA announced last December that it would lift the 16-year ban, but issued a 60-day stay on the decision following Trump's inauguration in January, which it subsequently extended by another 60 days.

The international lemon trade, due to crop failures in some countries and rising demand in China, has been hot property for South African lemon growers in recent years.

This has led to increasing investments in new lemon orchards, to the extent that some sources fear a steep increase in production without increased market development could cause problems in the future.

The effects of a bumper Spanish crop is already being felt this year, with South Africans saying their window of opportunity in Europe will be reduced.

Early-season shipments have mostly been directed to markets outside of Europe, with scheduled sailings to Europe only coming onstream in recent weeks.