

*Drop in Chilean clementine volumes***First citrus vessel from South Africa to arrive in US today****Imported citrus – Easy Peelers**

The easy peeler market remained strong through Week 24 with customer demand continuing to run ahead of available supply. "Most receivers have been living "hand-to-mouth" and, until now, there has been little fruit available for trading," says Mark Greenberg, CEO of Capespan North America. The shortage of navel oranges has made soft citrus seem even more scarce.

*Chilean clementine volumes dropped*

Chilean clementine loadings in weeks 21 and 22 dropped markedly from the volumes loaded in prior weeks due to precipitation which served to slow the citrus harvest in those weeks. This decline in loadings will manifest itself in lighter USEC and USWC arrivals from Chile in Weeks 24 and 25. But some of that shortfall will be compensated for, on the USEC anyway, by the arrival in Week 25 of the first South African citrus vessel. As well, the USEC will see the continued arrival of Peruvian and Uruguayan clementines.

Through Week 24, clementines in the 10 x 3 bag format for sizes 3 and larger are selling at US\$ 36 – 37, size 4 are selling at US\$ 32 – 34 and size 5 are selling at US\$ 30 – 32. These prices reflect a blend of transactional market (spot) sales and fixed retail programs that are generally running below the transactional market price.

South African citrus arrives in US today

Going into Week 25, the transactional price of easy peelers could moderate downward with the arrival of the South African citrus vessel today, Monday 19 June. The easy peelers and navel oranges on that vessel will start to get into distribution by mid-week. "That said, we still expect a US\$ 34 – 36 transactional market for clementines through week 25 for 10 x 3 lbs bags of sizes 1 through 4," mentioned Greenberg. "The size 5 price will likely hold at the US\$ 30 – 32 level for now."

Imported citrus – Navel oranges

Most US retailers have completed their domestic navel orange programs and are awaiting the arrival of imported navels from South Africa and Chile. When the m/v Santa Lucia arrives at Gloucester City, NJ she will discharge 164,000 cases of South African navel oranges. Chile will complement this with the arrival of some 50,000 cases of navels in Week 25.

With most east coast chains looking to start their Southern Hemisphere programs, prices are high. Transactional pricing in Week 25 for 40's, 48's and 56's are US\$ 30 – 32 (mostly US\$ 32), 64's at US\$ 28 - 30, 72's at US\$ 26 – 28 (mostly US\$ 28) and 9 x 3 lbs bags (88's and 105's) at mostly US\$ 28. Program pricing will be lower, especially on bags. With a scarcity of fruit and resulting high prices, receivers will need to allocate product with Solomonian wisdom.

Short supply of navels through beginning of July

Navel oranges will remain in relatively short supply through the first week of July at which time the second South African bulk vessel will arrive. As well, Chilean volumes will start to ramp up after the first of July as the restrictions imposed by the USDA/AMS Marketing Order for Oranges will be lifted for July and August taking away the risk of regulatory rejection for quality issues.

Accordingly, we expect to see navel prices remain firm through June and start to moderate slightly as arrival volumes increase and as summer fruit becomes more abundant. "For now, imported navel oranges are going to return robust prices to producers – those same producers who suffered through last season's very different early-season market conditions," said Greenberg.



Imported Citrus – Lemons

The lemon market on the USEC is hot on restricted availability and strong customer demand. With only limited domestic fruit available, imported Chilean lemons are returning very high prices.

With good demand in high-paying markets in Asia, Chilean lemon loadings to the USEC have declined by 36% as compared to last season through Week 23. Loadings to the USWC remain flat year over year.

Through Week 24, Fancy grade 75's are selling at US\$ 38 – 40, 95's and 115's are selling at US\$ 40 – 42, 140's and 165's are at US\$ 36 – 38 and 200's are (for the moment) at US\$ 36. Choice grade is selling generally US\$ 2 – 4 lower, actual quality depending.

Uruguayan lemons will also soon be arriving which, along with the Chilean offering, will enjoy a solid market into July. The Argentines have thus far been unable to put any lemons on the water which must be of great disappointment in a year such as this when California has left the market so poorly supplied and so welcoming of imports.

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