

Exporter: "Russian market is a mess"

Large supplies and stiff competition complicate South African lemon campaign

It has been a difficult lemon season for South Africa with one exporter calling the Russian market "a mess".

In the Western Cape, third largest lemon production region in the country, some exporters try to avoid Russia and rather send to the European Union (because citrus black spot isn't an impediment), the USA or the Middle East. Exports haven't been helped by a Rand that, given political uncertainty at home, remains remarkably strong.



The European Union has proved equally challenging, with Spanish Verna lemons remaining on the market for longer, further aided by their short transport time to market. ALG Estates sends its lemons to European retail programmes where the impact of lingering product from the north has been felt to a degree, says Hendrik Warnich, marketing manager, putting pressure on prices.

"The season started off high but there was a big collapse in prices on the Russian market because of oversupply and competition from South America," says Stephen Paulsen of Emex International, who markets lemons grown in Limpopo where the lemon season has mostly come to an end. Lemon volumes in Hoedspruit have recovered after the devastating hail of late 2015.

Pierre Hough of Goede Hoop Citrus in Citrusdal mentions that they don't encourage their growers to invest in new lemon plantings. "It's too much of a risk, with all the volumes expected to come in, so lemons make up less than 10% of our portfolio. We send some to Europe, some to the Middle East, but not to Russia."

The main driver for lemons from South Africa this season is now the Eastern Cape, home of the largest volumes in South Africa, where Hannes de Waal, managing director of the Sundays River Citrus Company (SRCC), expects most volumes to come in before week 36 and the season to end a month earlier than usual.

With the decreased navel volumes in the Eastern Cape there was more labour available to pick lemons, but, De Waal notes, picking has slowed down a bit during the past two or three weeks but lemons can't be left hanging in the orchard, unlike grapefruit, which makes it difficult to space out the volumes.

"The lemon season has been volatile, it's true, but it's a commodity and like all commodities it's subject to commodity cycles," he continues. "With all the new lemon plantings – and there are orchards being planted, especially in the winelands, that aren't

registered so we don't have the complete figures yet – there will be a shake-up some time in the future when volumes are too high. Ten years ago the lemon industry wasn't doing well but since 2008 there has been a tremendous increase in lemon consumption worldwide. There is still so much positive work that can be done to promote lemon consumption domestically and worldwide, as well as research into its health benefits, that I think we are blessed. We do a lot of empowerment work, we deliver a good product, but as I often tell farmers: build your reserves. You have to be ready to adapt."

He says he is positive that the American market will open to the greater South African lemon industry at some point in the future.

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