

Lemon growers ponder future

Challenges ahead for South African lemon growers as price boom seems to come to an end

South African lemon growers have enjoyed some great years in the past, but now, with the boom period in prices seemingly coming to an end, there may be challenging times ahead.

Amidst these indications, the Lemon Focus Group of the South African Citrus Growers' Association (CGA) has made significant upward adjustments to the country's lemon estimate for the current season.

The forecast is now 1m cartons above the initial estimate, which placed the total export crop at 17.5m cartons and has now been increased to 18.5m cartons.

Lemon exporters recently told Fruitnet that the lemon market was under pressure, and these adjustments will no doubt add further pressure.

According to certain media sources, the CGA confirmed that lemon prices have come under pressure this season. This follows at least three excellent years that saw returns never before seen, resulting in further investment in new orchards.

The CGA said lemon prices increased from R1,000 per tonne in 1992 to R16,500 in 2016, representing an increase of nearly 70 per cent over the 24-year period.

Growers and exporters noted that the most dramatic of these increases have come over the past five years or so. "At one point prices in China were so high that it paid us to airfreight full pallets to satisfy demand," said one exporter.

"Lemon plantings really took off after 2010 – from levels of 200ha-300ha per annum prior to 2010, up to 700ha-1,000ha after 2010," the CGA outlined. "This means there is a predominance of young orchards in South Africa."

The CGA however warned that increased plantings are not restricted to South Africa. "The good returns of the past few years have attracted growers to this sector from across the globe," the group stated. "As supply increases it is anticipated that these prices will come under further pressure. The bright light in this scenario is the increased demand for lemon and lemon products across the globe. Around the globe consumers are recognising lemons for their health attributes – with new consumers and new uses for lemons every year."

The CGA said that the question everybody was asking was whether this increased demand will soak up all of the growing supply.

