OVERVIEW GLOBAL LEMON MARKET

It is quiet in the lemon market. Overall, the supply and the demand are in balance, and wherever this is not the case, traders have the opportunity to adjust the situation. For example, Spanish growers say they are keeping an eye on the demand for the second half of the Fino campaign. Fewer lemons are being harvested in California, but this is not causing any major problems for the time being. The Argentinian sector is not happy with the colour requirements imposed by the US on the fruit, so there are no exports to this market. Prices in China are under pressure after considerable investments have been made to expand the acreage, motivated by the high prices.

US: California expects smaller lemon production

With the end of the Mexican and Chilean season in sight, US lemons are taking over the market. The demand is stable and despite the smaller production, there is a sufficient volume available in all categories and their price is also stable. In addition to the good demand in the domestic market, there is also a growing demand from East and South East Asia. Thanks to the different climate zones in California, it is possible to export to these markets all year round.

The yield in California and Arizona is lower. According to growers, the earlier heat this year has caused a reduction in the harvest volume. Traders are optimistic about the situation. "We haven't seen any gaps in the market, unlike last year," says a trader on the East Coast. Last year, there was a gap between the Mexican and Californian seasons. The trader is optimistic about this year's harvest in the US state. She even argues that the lemons for the processing industry almost meet the retail requirements.

Argentinian exporters unhappy about colour restriction in the US

Although the US market is open to Argentinian lemons, no exports are possible because of the colour requirements imposed by the US on the fruit. The two countries have agreed that the lemons should be yellow-green. The harvest peaks from April to September, when 90% of the lemons are harvested. The other 10% is harvested in the remaining months of the year, although those lemons are unsuitable for export. The colour code that the US and Argentina agreed for the fruit's export is only achieved in the period from May to July.

"There is no one who can export to the US this season, because no one has lemons that meet the requirements," says an Argentinian trader. The colour is determined at the harvest; however, the US protocol came too late for this year's harvest.

Despite the lack of the US market, there are other countries where Argentina can sell its lemons. Mexico opened the border to the fruit last July. Europe is still the biggest customer.

China: Acreage expansion putting prices under pressure

The cultivation of lemons takes place mostly in the regions of Tongnan, near Chongqing; Anyue, in the province of Sichuan; in the Hainan province and in Dehong, in the Yunnan province. At this time, 80% of the production comes from Anyue. In recent years, given the high demand, the price of lemons from Anyue has risen. Four years ago, prices for lemons from Anyue peaked at an average of between 10 and 20 yuan ($ 1.51-3.02) per kilo. As a result, the acreage was expanded. In comparison with last season, the acreage has grown sharply. The weather has been stable, which has facilitated the growth of the fruit. Last year was an off year for the lemons. This is expected to be a good season. As a response to increasing import of lemons, the provinces of Yunnan and Chongqing have also invested in lemon cultivation. As a result of this larger acreage, the price will remain under pressure in the near future.

Spain: More small calibre Primofiori

This year, the Primofiori lemon campaign started with slightly larger volumes than last year. However, the lack of rainfall has had an impact on fruit sizes. There are many small calibres available and that is having an impact on prices. Prices are under pressure for calibre 5 due to the large volume available. For the time being, the price for the larger sizes seems to remain at a higher level, although there is also a declining trend there. However, traders are not concerned about the volume of Primofiori lemons this season. Most of the exports are intended for Belgium and Germany. Next in the ranking of most important destinations are France, Switzerland, the Netherlands, Italy and Poland.

Spanish lemons have a dominant position in the European market because the volume supplied by Turkey has been disappointing. The average price stands at 0.36 Euro per kilo. The second part of the Fino season starts in December. Growers are cautious and are adjusting the pace of harvesting to the pace of sales. In this regard, that the fruit can stay on the tree for a long time without any consequences is an advantage for the growers.

Belgium: Little demand for lemons

According to a Belgian trader, lemon trade is not very strong at the moment. The supply and quality remain at normal levels. Currently, lemon prices in Belgium stand at around 1.20 Euro and all the supply sold by the trader comes from Spain. Every week, between 10 and 20 tonnes of lemons arrive at the Belgian trader. The demand for lemons in Belgium is low, according to the importer.

German lemon market stable

Spanish lemons dominate the market, just as in many other European countries. The most popular varieties in the wholesale markets are the Fino, Misstonic and Severa. Turkish products are also popular, although to a more limited extent, since the Turkish supply has been disappointing this season. Traders say that the supply and demand are in good balance. Some even speak of slight surpluses. Prices remain stable for the time being and fluctuate between 0.32 and 0.40 Euro per kilo. Spanish citrus fruits are generally slightly more expensive than last year around this time, having recorded increases of between 10 and 20 percent.

Australia closes good winter season

Lemon producers had a successful winter season Down under. This was mainly due to their exports to China. Citrus exports reached a record high and were worth $ 377 million this year. That is 31 percent more than last year and is in sharp contrast with the figures from 2011. Then the fruit was traded for half that price.

In the coming ten years, lemon cultivation will grow by 50%, according to the industry organization. The demand continues to rise because health-conscious consumers are buying lemons due to their high Vitamin C content. Lemons are not available in the summer months, so imports arrive from the US and Egypt until the start of the domestic season in February.

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Author: Rudolf Mulderij