

Market report by Mark Greenberg, Capespan

Imported citrus market remains surprisingly strong in US

Citrus – Easy Peelers:

Last week we predicted that with the easy peeler pipeline filled, and with arrivals from Chile, Peru and South Africa continuing unabated, the price for clementines and mandarins would likely take a step down in week 26. In further support of that theory we also noted that table grapes, melons and tree fruit from the San Joaquin Valley, as well as cherries from Washington, would deflect retailers' attention away from soft citrus in the lead-up to July 4 when the US is all about picnics, barbecues and summer fruit.

Well, remarkably, demand continues to run very close to supply and the easy peeler price has remained stable if perhaps a bit lower than last week. In week 26, the USEC price for standard size (1-2-3-4) clementines and mandarins in 10 x 3 bags, irrespective of origin, continues to be in the US\$34 – 36 (mostly US\$34) range with some sales at US\$32. Program prices are running a couple of dollars lower. This is similar to last week's range but for a US\$34 "mostly", down from the US\$36 "mostly" in week 25. On the USWC, clementine prices are US\$38 – 42 (mostly US\$38 – 40).

Chilean sources continue to load heavily with tonnage shipped through week 25 almost 50% greater than last season. South African and Peruvian easy peelers are also adding their tonnage to the available product. Yet the market remains virtually unfazed. The gap in navel orange supplies is likely a factor in helping to hold the easy peeler market stable, but so is the increased appetite for the product.

After July 4, the USEC will continue to see clementine arrivals from Chile and South Africa along with the arrival of the earliest of Peru's W. Murcotts. Navels will become more plentiful and the California's summer fruit harvest will be in full stride. But with the help of fixed retail programs that continue to pull fruit regularly, the easy peeler market is unlikely to melt down. Indeed, we do not expect to see prices stray too far from the US\$32 – 34 range.

Chilean Clementine Loadings to USA
(Metric Tons)

Week	East Coast			West Coast			Total		
	2018	2017	% Change	2018	2017	% Change	2018	2017	% Change
14	-	-	--	24.1	-	--	24.1	-	--
15	-	169.9	--	24.1	21.6	11.6%	24.1	191.5	-87.4%
16	366.9	559.8	-34.5%	129.6	64.0	102.5%	496.5	623.8	-20.4%
17	479.3	936.3	-48.8%	291.2	151.3	92.5%	770.5	1,087.6	-29.2%
18	813.2	1,268.7	-35.9%	700.0	672.1	4.2%	1,513.2	1,940.8	-22.0%
19	1,563.6	1,786.4	-12.5%	1,505.5	673.0	123.7%	3,069.1	2,459.4	24.8%
20	2,728.0	1,996.2	36.7%	1,725.6	884.1	95.2%	4,453.6	2,880.3	54.6%
21	2,942.7	1,675.4	75.6%	2,182.2	1,132.3	92.7%	5,124.9	2,807.7	82.5%
22	3,831.4	1,894.5	102.2%	2,994.2	1,116.0	168.3%	6,825.6	3,010.5	126.7%
23	1,479.9	3,254.1	-54.5%	1,898.6	1,841.8	3.1%	3,378.5	5,095.9	-33.7%
24	4,119.8	3,151.7	30.7%	2,065.8	1,784.2	15.8%	6,185.6	4,935.9	25.3%
25	3,986.0	321.8	1138.7%	3,196.1	776.2	311.8%	7,182.1	1,098.0	554.1%
Total	22,310.8	17,014.8	31.1%	16,737.0	9,116.6	83.6%	39,047.8	26,131.4	49.4%

Navel Oranges:

The imported navel orange season is underway with moderate, if not quite enthusiastic, movement. The first South African bulk reefer arrived and discharged her cargo in week 25. The first of Chile's navels will clear and enter in week 26. But, even with light volumes available on the USEC, uptake of the fruit is moderate. Timing has much to do with this.

Navel oranges importers are used to overlapping with California for at least a few weeks. Retailers are not used to a gap between the end of California's crop and the start of the imported navel orange season. So while the gap officially ended last week, retailers were focused on summer fruit for the July 4 holiday and not on navel oranges. The result is moderate (although consistent) demand for imported navels and pricing that is robust if perhaps softer than one might have anticipated. We expect to see interest in navel oranges pick up in week 28 when all retailers should be on board.

In week 25, large size imported navel oranges (40's, 48's and 56's) are selling at US\$30 – 32 (mostly US\$32), 64's at US\$30 – 32 (mostly US\$30) and 72's and 88's in bulk at US\$28 – 30. Bagged fruit in 9 x 3 lbs bags are selling at US\$28 – 30. The market is seeing arrivals of heavier volumes of small caliber fruit from both South Africa and is expecting the same from Chile. This suggests that the 9 x 3 lbs bag price will quickly come down from its lofty US\$28 – 30 level.

The Chilean harvest is proceeding slowly and this weekend Chile is expecting more rain and cool temperatures. Accordingly, loadings from Chile could slow down in week 27. The South Africans, on the other hand, are loading consistently with the second bulk vessel expected to arrive on the USEC late in week 27 followed by the third bulk vessel in week 29.

Chilean Navel Orange Loadings to USA

(Metric Tons)

Week	East Coast			West Coast			Total		
	2018	2017	% Change	2018	2017	% Change	2018	2017	% Change
20	48.0	-	--	-	-	-	48.0	-	--
21	37.7	318.7	-88.2%	-	48.8	-	37.7	367.5	-89.7%
22	388.3	821.5	-52.7%	-	509.2	-	388.3	1,330.7	-70.8%
23	-	1,954.3	--	-	879.2	-	-	2,833.5	-100.0%
24	709.0	3,402.7	-79.2%	424.4	1,413.2	-70.0%	1,133.4	4,815.9	-76.5%
25	2,675.5	446.2	499.6%	1,754.4	362.3	384.2%	4,429.9	808.5	447.9%
Total	3,858.5	6,943	-44.4%	2,178.8	3,212.7	-32.2%	6,037.3	10,156.1	-40.6%

Source: Decofrut Fruitonline

Lemons:

The imported lemon market is robust on lighter than expected supplies from both Argentina and Chile and on California lemons that are tending to larger sizes. Chilean shipments to the USA through week 25 are substantially lower than last season. But, with traditional Asian destination markets filling up, and the US market strengthening, we can expect Chilean lemon shipments to USEC and USWC to increase in the next few weeks. Rain next week will hinder the lemon harvest, but there is binned fruit ready to pack.

Chilean lemons are selling briskly on the USEC at US\$ 32 – 34 for Choice grade 95's, 115's, and 140's. Fancy grade are moving US\$ 2 more and prices on the USWC are even higher. The prevailing view is that the lemon market on both coasts is getting stronger and could go north of US\$ 40 for Fancy fruit. Much will depend on future loadings from Chile.

Chilean Lemon Loadings to USA

(Metric Tons)

Week	East Coast			West Coast			Total		
	2018	2017	% Change	2018	2017	% Change	2018	2017	% Change
17	-	-	-	24.8	-	-	-	-	-
18	-	-	-	49.5	99.1	-50%	49.5	99.1	-50%
19	123.8	57.8	114%	123.8	392.5	-68%	247.6	450.3	-45%
20	222.9	247.7	-10%	247.7	495.4	-50%	470.6	743.1	-37%
21	480.1	532.4	-10%	519.8	627.3	-17%	999.9	1,159.7	-14%
22	780.1	618.9	26%	832.3	842.8	-1%	1,612.4	1,461.7	10%
23	74.3	1,360.4	-95%	714.6	1,582.6	-55%	788.9	2,943.0	-73%
24	977.4	1,483.8	-34%	612.2	965.9	-37%	1,589.6	2,449.7	-35%
25	1,505.7	677.6	122%	911.2	1,011.9	-10%	2,416.9	1,689.5	43%
Total	4,164.3	4,978.6	-16%	4,035.9	6,017.5	-33%	8,200.2	10,996.1	-25%

Source: Decofrut Fruitonline

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