

The price shows a significant decline

Chinese import season of Australian and South African oranges is almost over

Most of the imported oranges on the Chinese market come from Australia and South Africa, and the latter dominates. The outbreak of Covid-19 was brought under control in China when the import season of Australian and South African oranges began and orange sales benefited from these conditions.

The market conditions were not bad at all. This situation continued until National Day [October 1, 2020]. By that time, import orange trade had recovered to about 80% of the trade level in October 2019. The market gradually resumed regular operations, and the supply volume increased. Last year the supply volume was largest in the beginning of the season and smaller in the second half, but this year the conditions are the other way around. That is why the price of import oranges was high in the beginning of this season, but is currently quite low.

Looking back on the import orange season, one trend is clear. Australian oranges and South African oranges are targeted at different consumer audiences. The import volume of Australian oranges is relatively small, but the product quality is higher and the flavor more delicious. The cost price and the retail price are therefore higher too. The supply volume of South African oranges is larger, but the flavor is not as good. However, the cost price is low. Market demand for these oranges mostly comes from the food and drinks industry.



Import oranges

The price of import oranges recently dropped because the season of Australian and South African oranges is almost over. The main reason for this fluctuation is the arrival of large volumes of domestic oranges on the Chinese market.

"After the Australian and South African oranges retreat from the market, the import market is taken over by American oranges in December. We do not expect the production of domestic oranges to have an impact on the import market for American oranges. This is mainly because the import volume of American oranges has already been reduced in size by the ongoing Sino-US trade war. The high tariffs raise the cost price of American oranges in the Chinese market. It is difficult to say how American oranges will sell in the Chinese market this year. The sales conditions will be decided by the size of the supply volume.

"There are not a lot of opportunities for import oranges during the peak period of the domestic orange season. Only a small volume of import oranges will be able to make a profit. If the supply volume is too large, the importers will lose money." This is according to Mr. Mao Guangju, CEO of Shanghai OK Fruit International Trade Co., Ltd.

Chinese Shatang oranges have already entered the market, and Gannan oranges will soon follow. This will have an important impact on the import market. Importers are very careful not to purchase large volumes of import oranges at the moment. Import oranges will not have a significant impact on the domestic market, but domestic oranges have a huge impact on the import market.

For more information:

Mr. Mao Guangju - CEO

Shanghai OK Fruit International Trade Co., Ltd.

Email: Jeffrey@okfruit.me

Publication date: Fri 30 Oct 2020

© FreshPlaza.com

