



Tjeerd Hoekstra and Menno Hogenelst, Total Produce:

"Good expectations for South African lemons, grapefruit at season's start"

The first lemons and grapefruit shipments are on their way. It is, thus, almost time for the South African citrus season to begin at Total Produce BV. This Dutch company currently occupies its sister company, Total Exotics' building. Tjeerd Hoekstra and Menno Hogenelst recently visited their South African suppliers and look ahead to a season once again marked by logistical uncertainty.

"The only certainty is that sea freight fees have roughly doubled. Other than that, arrivals-wise, uncertainty reigns, and there will undoubtedly be delays again. Transit times used to be two weeks. Now you can count on between two and five weeks. Sometimes, there's a week with no arrivals; then, you get three in the same week. That all complicates delivery to the retail sector, especially when you haven't built up stocks yet," says Tjeerd.



"The pandemic's aftermath, including the partial or full closure of the Chinese ports, has affected the container fleet's entire rotation. Then, in South Africa, there were floods in Durban. The infrastructure there has been partially restored, but the rail link isn't expected to be operational again until late June."

"There's also the cost price, that's much higher than it was because, along with sea freight, things like raw materials, paper, plastic, and fertilizer prices have risen sharply. These costs should be passed on in the price. However, in our trade, supply and demand still mostly determines prices. But that is inherent to our business," Tjeerd continues.

"Our South African growers' harvests currently look good," adds Menno. "There was enough fruit on the trees, and the sizes look better than last year. They were small then. The season will start at a good level in terms of prices too. The first lemons will be priced between €20 and €25, which is justifiable. Spanish lemons are also on the expensive side, even though they're of lower quality and size."

"Grapefruit usually starts at €15-€17. Last year, that price plummeted, so we'll have to gauge the market demand this year. There are limited alternatives. It's the end of the Turkish and Florida seasons, though, particularly Florida is relatively insignificant on the market now."

"We'll get the first Valencia oranges from South Africa in mid-July. At present, Spain has large volumes on the market, and Egypt and Morocco are sending more citrus this way. That's because the Russian market is closed. So that fruit will have to be off the market first," Menno explains.

"From South Africa, we hear varying noises. Some expect to simply supply Russia, but I don't think the entire volume can go there. That fruit has to go somewhere, which will increase the pressure on the other markets, including Europe. The biggest challenge is to get produce to the right place at the right time in the current logistics climate."

It is not yet clear what the exact regulations regarding, for example the regulations for cold treatment on oranges is not yet known. "Those should be in line with last year's. That remains an expensive measure for growers, both in terms of false codling moth and black spot. Lastly, how will inflation affect consumers' consumption patterns? We hope our healthy products will remain at the top of people's shopping lists," Tjeerd concludes.



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