But premium oranges continue to perform well

Mixed Summer season for South African citrus in China

TopSun Fresh is a relatively new company established in 2020 that has quickly built its reputation in the Chinese import fruit market. The company specializes in the import of off-season fruits and the year-round trade of tropical fruits. The company is active in four major wholesale markets in China: the Guangzhou Jiangnan market, the Shanghai Huizhan market, the Jiaxing Haiguangxing market, and the Heibei Gaobeidian market. It also supplies customers in 30 secondary and tertiary supermarkets and retail shops, namely in Jiaxing, Nanjing, Chengdu, Chongqing, Xi’an, Qingdao and Zhengzhou.

Neil Wan is currently traveling in South Africa, from where TopSun Fresh sources citrus. Last week's minibus strikes in and around Cape Town have not notably affected the company's import business. Neil commented on the situation; "The major protest area is near the Cape Town International Airport, and our supplies from the Western Cape have not experienced major delays.” “Our product gets shipped from Limpopo, Mpumalanga, and Eastern Cape province (near the Durban and Cogea ports) and we have not experienced major delays,” said Neil.

To the right, Neil Wan, visiting South Africa, together with Erwee Topham from CitrX, based in Hoedspruit

China's Egyptian citrus import season has ended, and the South African citrus season is well on its way. Overall Egyptian citrus has had a good run on the international market. A supply shortage in Spain caused strong prices in Europe, the Middle East, and China. "The Chinese market's price for Egyptian fruit was stable. Only at the end of the season did prices start to decline. This year, Egypt did send lower volumes to China than in previous years."

Week 33 marks the tail end of South Africa's citrus export season. The country's Star Ruby grapefruit shipments have finished. The volume to Europe has increased dramatically compared to the previous year, with stronger prices. However, the Chinese market struggled with grapefruit prices and movements, most notably in retail markets.

"For navel oranges, the market is paying stronger prices for premium label citrus, including Witkrans and Cambria," Neil said. Valencia oranges have been dealt with a stable pricing of 140 to 180 yuan, depending on variety and color.

Compared to the last season, export volumes of oranges to China have decreased by 40%, driven by the slight decrease in production in South Africa. The main reason for the decrease is that Europe has been a very strong buyer from the start of the season: "We observe that volumes to Europe have increased by approximately 50% year-to-date. It's a very different picture from last year. This year, due to late-season rain, more orchards suffered from citrus black spots. As a result, late-season volumes are likely to go to the Middle East and parts of Asia.

Mandarin prices have been struggling since the start of the season. Volumes to China have increased 30% year on year, and prices have come down. "The overall quality is good, but the flavor can be a little flat at times. Also, here we clearly see that brand recognition is preferred by customers. New varieties such as Royal Honey Murcott have been priced significantly higher"

The recent natural disasters in northern China have affected consumer spending, however, the overall consumption of imported citrus is trending upwards. Supermarkets are still paying premium prices for quality products. Given the consumer spending environment, the only perceived headwinds would be fruit quality. Products showing new varieties and trendy packaging tend to perform better.

Neil Wan during his visit to South Africa

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