

Leardt van der Burgh – FruitOne

Extended European Valencia season an unexpected surprise



"We have two weeks of packing left and then we're done for the season," says Leardt van der Burgh, recently appointed head of commercial at citrus grower-exporter FruitOne; it's been a citrus campaign confounding the industry's expectations at many turns.

"If you look at South Africa's industry figures: we're almost twenty million cartons (15kg) below the original estimate of 181.7 million cartons. Last year, by the end of week 32, we as a country had exported 113.5 million cartons," he points out, "now we're on 101.2 million 15kg cartons. And compare that to this week in 2022, when we'd already exported 131 million cartons."

25% export drop on both Tangos & lemons

The Tango volumes were lower than they'd been expecting since the start of the season, similar to lemons and grapefruit but for a different reason.

"The Tango tonnages were not necessarily lower, and the sizing was normal, but the packouts were lower for a variety of quality reasons, and we ended up exporting around 25% less. We didn't really see it coming, and the interesting thing is when you look at lemons, the fruit sizing was definitely smaller. Size

distribution definitely had a big impact on the lemon season, with a similar scenario for grapefruit with a preponderance of counts 50, 55 and 60 this season."



Lower citrus black spot pressure in their late Valencia orchards has been a welcome surprise, allowing them to continue packing for Europe this week when they thought they would stop packing for Europe by last week.

Initially, after the exceptional frost in central South Africa six weeks ago, it seemed as if the orchards on their recently-acquired Marble Hall farm – where temperatures dropped to -8°C – had escaped relatively unscathed, but cold damage was inevitable.

"At the end of the day there were certain orchards which were stripped for juice when we couldn't pack the fruit because of the cold damage which subsequently became apparent."

Fortuitously, there's a very attractive world price for orange juice concentrate and consequently for juicing oranges, and this price has, Van der Burgh notes, had a very large impact on Valencia marketing this season.

Keeping alive relationships with buyers who, perhaps, also take a difficult category like grapefruit, is as tactically important as optimizing returns on Valentias, he remarks, and there is an imperative to keep packhouses running for their overhead costs remain unchanged. Despite lower exports on all categories of citrus, not a single one of FruitOne's three packhouses in Hoedspruit, Letsitele or Marble Hall ceased operations for a day.



Chinese orange prices start higher than in 2023

"There are markets like Russia and the Middle East whose [fresh orange] prices were close to the juice price, so there was a stage during which we didn't pack certain counts for certain markets, and decided to send it for juicing."

After initial reluctance to accept the levels at which fresh oranges are trading in 2024, buyers in these markets started to look at the data of South Africa's citrus exports and the price for oranges adapted to this season's normal. Be that as it may, Russia still received 22% less, or more than half a million fewer 15kg cartons of oranges.

China was an especially pleasant surprise, he says. "We didn't expect [orange] prices to be as high as it did, expecting as we were that there was a ceiling through which the Chinese consumer would not follow."

He remarks that it remains to be seen whether the Chinese market remains stable towards the end of September, given the volume and timing of Valencia arrivals.

Swift rise in European lemon prices



FruitOne's lemons, among the very first in the South African season, have long been shipped, mostly to the Middle East because of size peaking on counts 113 and 138.

Last year, for example, FruitOne sent 10% of their lemons to the UAE, but this year sizing obliged them to send 26%. The same thing with Saudi Arabia, he says: last year's 7% was 16% this year, and these aren't the markets paying the best prices.

"The Middle Eastern lemon market was no different from other years: South Africa quickly put it under pressure until, in April and May, it crashed. Then it started picking up its head towards the end of our marketing window, and it ended better than I'd expected it to."

He continues: "It's unbelievable how the lemon price in Europe has recently jumped during a very short period to incredibly good prices. If you're now in Europe with lemons, you're making good money." He notes this is another illustration of the importance of the window in which a crop matures: this one benefiting the Eastern Cape.

Even though citrus export volumes are substantially lower, there are still a predicted fifty million 15kg cartons of Valencias to be exported, resulting in pressure on the logistics chain: they have had to, on occasion, pay for trucks to return empty from Durban to their packhouses.



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Publication date: Wed 21 Aug 2024

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