

"The market needs a reasonable price range to drive volumes of South African oranges"

Cambria oranges from South Africa began arriving in the Chinese market in week 28, 2-3 weeks later than anticipated. So far, arriving volumes remain small, and prices are higher than before. "Overall, South African oranges have been priced high since the start of the season due to limited arrivals. As of last Sunday, the arrival volume was only 60% of the same period last year," said George Ma, Purchasing Manager, and Xianfeng He, Sales Manager of Shanghai Nowfrutti Co., Ltd., who provided insights into this season's South African orange supply.



"The reduced arrivals are due to both weather conditions and market dynamics," Ma explained. "Two major growing regions in northern South Africa experienced low temperatures, leading to frost damage and a 10%-20% reduction in orange production compared to last year. Most of the oranges destined for the Chinese market, including Cambria oranges, originate from these northern regions."

"Additionally, the global shortage of orange juice has led to higher prices from local juice factories in South Africa, attracting many growers. Strong demand from Europe, which offers better prices, has also shifted export priorities. In contrast, returns from the Chinese market have declined in recent years, making suppliers more inclined to export to Europe, the Middle East, Russia, and Canada, while enthusiasm for shipping to China and the Far East has reduced."

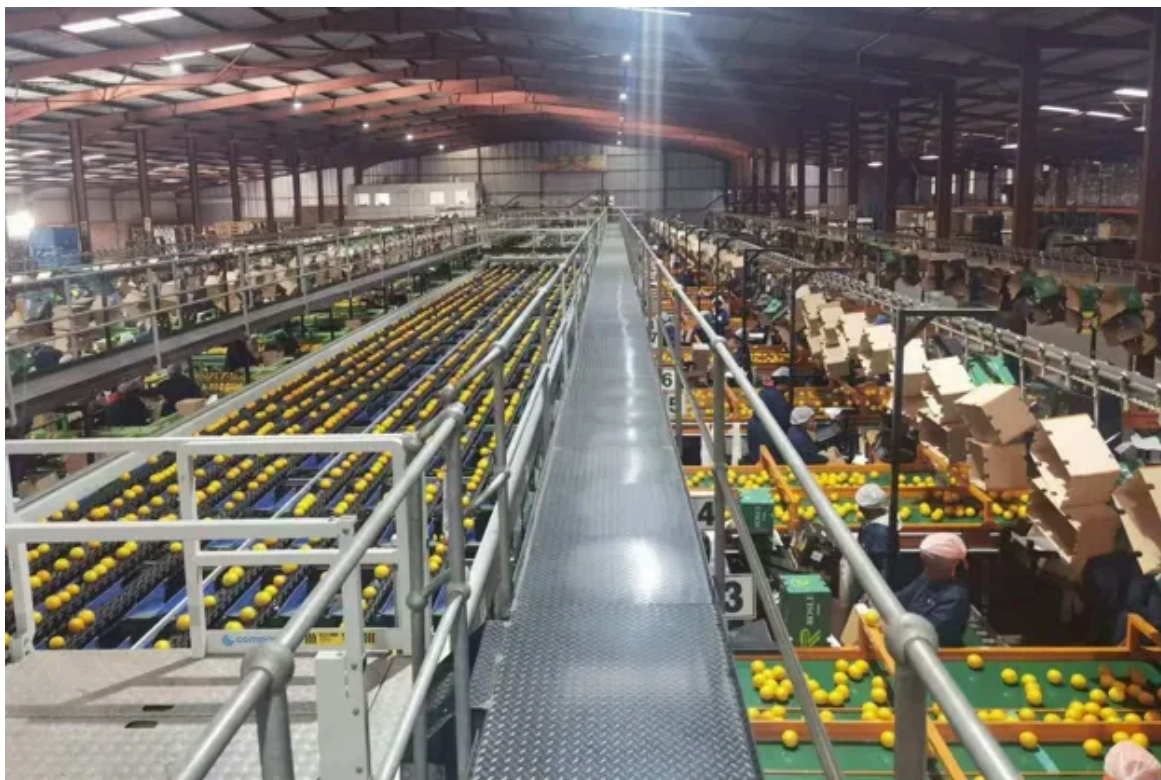
"However, the Chinese market remains a priority for premium varieties like Cambria, Witkrans, Rustenburg, and Midnight, which are in high demand due to the market's preference for high-quality South African oranges."



Regarding Cambria oranges, He mentioned that due to production declines, fewer than 30 containers had arrived in the Shanghai market by last weekend, and the pace has been slow. "The quality and peel of the Cambrias that have arrived so far are below expectations. Issues like green tops, low sugar content, and poor taste compared to previous years have impacted sales."

"On the broader market for South African oranges, 15-16 containers were sold at peak levels about two weeks ago, but sales have since slowed as the market digests current stock. All traders are holding inventory, but high prices have dampened sales, and this situation is unlikely to improve in the short term. A reasonable price range is needed to stimulate orange sales," he added.

Looking ahead, He expects prices to decrease as more oranges arrive, gradually reaching a more reasonable range. "With the Mid-Autumn Festival approaching, I anticipate a significant rise in demand for high-end oranges."



South African oranges are a key product for Shanghai Nowfrutti, which markets multiple brands including Alliance and Freshworld, with sales channels covering foodservice, supermarkets, and e-commerce. "Current arrival volumes have fallen short of our expectations, but we are negotiating with new suppliers to boost supply and remain confident in achieving more sales. Our goal for next year is a 30%-50% increase in South African orange sales," said He and Ma.

Shanghai Nowfrutti will participate in the China Fruit Expo in Shanghai from August 28 to 30 at booth E2D4 and in Asia Fruit Logistica in Hong Kong from September 4 to 6 at booth 5H02.

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