Chinese citrus exports change the playing field for South Africa

The Cape citrus harvest has been waiting out the rain this week and farms will be eager to resume next week. The citrus markets, especially South Africa's traditional markets (Europe, the Middle East, the UK and for those in the Western and Northern Cape, the USA too) are in good nick.

In the Far East there's still plenty of Egyptian citrus available as well as, this season, Chinese citrus.

"What's different from other years is that there are a lot of Chinese lemons available that weren't traditionally in the market, and it's high quality fruit," remarks Piet Smit, marketing director of Favourite Fresh Exports.

"In the past, quality would be the deciding factor in South Africa's favour, but China is exporting very high quality product to the Middle East and in South East Asia. That's the reason our prices were under pressure during the early part of the season. We are continuously looking to develop new markets," he says.

More options on oranges

The pressure resulting from citrus expansion is coming from all sides, but another force is at play this season, and that's the ebullient price for processing oranges, be it navels or Valencias.

He doesn't expect the gap left by Brazil's shrinking orange supply to remain unfilled for too long, but over the short term, pressure on concentrate supply works to the benefit of South African orange exporters. "It's nice to have that safety net this season, and it creates a challenge to the other fresh markets to reach the same levels or exceed them, otherwise they won't be getting oranges, and it's a very good position for South African citrus producers to be in."

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