

GLOBAL MARKET OVERVIEW

ORANGES

In this first Global Market for 2025, the focus is on oranges, with the colder weather, especially in Europe leading to higher demand. France has a dynamic market with good demand. Germany has increased demand with oranges coming from many supplying countries. Italy's 2024/25 orange campaign is presented with many production challenges. There are good prices in the fresh market and the industry for Spanish oranges.



This season Egyptian growers avoided the trap of overproduction. South Africa has welcomed substantial rains during the current off-season. Availability varies from coast to coast on North American oranges.

France: Dynamic market with good demand

Orange season is in full swing on the French market. On the market are Naveline and Salutsiana oranges from Spain, and New Hall oranges from Italy and Portugal. The market is dynamic and demand is currently good, boosted in recent weeks by the Christmas holiday season and the cold weather.

Last year Egyptian oranges were already present at this time, making competition between origins tougher due to the low prices of Egyptian products, while this year this African origin is not yet present on the market, due to the strong supply of southern European origins.

Germany: Increased demand with many supplying countries

"In the orange segment, for example, we currently also offer the red-fleshed varieties Cara Cara and Kirkwood. These are niche products that perhaps only achieve a fifth of the sales volume of the standard product and require a little more educational work," notes a trader.

Among the blond oranges, Spanish Navelina dominated the scene in the last weeks of 2024. Salustiana of the same origin completed the range. The majority of navels came from Italy. The relevance of South African batches obviously declined; Valencia Late, Delta Seedless, and Midnight lost importance. Greek and Turkish batches rounded off the product range. The first Italian Moro blood oranges appeared, but their quality was not entirely convincing. The Spanish Cara Cara orange, botanically a navel orange with pink to raspberry-colored flesh, now intensified its presence on the markets, as well as the first Spanish Kirkwood, which entered the market in week 1. All in all, the accommodation options improved: The Advent season and the autumn weather noticeably increased demand. Nevertheless, this had no general effect on the listings. There were reductions as well as rising prices.

Italy: Orange campaign presented many production challenges

In Sicily, the 2024/25 orange campaign presented many production challenges. First, there was the prolonged drought, which resulted in small sizes compared to the norm. Then, in the autumn, the torrential rains, which in some cases caused the fruit to rot. Obviously, these phenomena did not affect all production areas, but they did affect production as a whole. Production of the Newhall, Washington Navel, Powell, and Lane Late varieties began in November and will end around June, while production of the Moro, Tarocco Sant'Alfio, and Tarocco Meli blood oranges began at the end of December/beginning of January and will end around May. As always, everything depends on the weather. At the production level, prices ranged from 0.70 to 0.85 €/kg for sweet oranges and from 0.50 to 0.70 €/kg for red oranges. The prices are considered high, but it is also true that the weather conditions have required major interventions, such as emergency irrigation, which have increased production costs.

According to a wholesaler in southern Italy, the end of the 2024 import campaign marked a turning point for the European orange market, which saw a flood of imports, particularly from South Africa, due to a malfunction in the logistics system. The early start of the Northern Hemisphere campaign exacerbated the

situation. Orange varieties such as Navelina, Navel, and New Hall, the mainstay of European production, suffered from a market flooded with imported fruit, creating a diametrically opposite situation to last year. Production forecasts for Spain and Italy do not suggest large crops, which could provide an opportunity to rebalance the market in terms of volumes sold and prices. In conclusion, unless what happened last year in Egypt happens again, i.e. the market is flooded, prices and consumption of oranges will be fairly balanced at the production level.

Oranges are bought by more than 70 per cent of Italian households: an increase on the previous year, which shows positive buying behavior, which is also reflected in the frequency of purchases, which has remained more or less stable at an average of 9 purchases per household per year. This is according to YouGov data updated to November 2024. The performance of organic oranges is also particularly interesting, as this is a segment that does not usually gain much traction in the fruit and vegetable market. In fact, sales of organic oranges have increased significantly, reaching a share of almost 18%.

Spain: Good prices in the fresh market and the industry for Spanish oranges

The Spanish orange campaign has just passed its halfway point with satisfactory results and a harvest favored by a substantial increase in rainfall compared to the previous year in the main production areas, such as Andalusia, where an increase in production of over 22% compared to the previous year is estimated, which will contribute over 53% to the Spanish campaign.

It should be noted that the increase in irrigation allocations, although less than optimal, has also contributed to a significant improvement in the vegetative state of the plantations.

At the end of December, coinciding with the festive period, Navel oranges registered the traditional drop in their prices. However, in the middle of last month, they were, both at origin and when leaving the warehouse, above the average of the last five campaigns, being the highest price of the last ten campaigns at this time -with the exception of the last one.

The first part of the campaign has concluded positively both in the fresh market and in the industrial segment, as commented by the sector, despite the predominance of small sizes in the Navel oranges.

"As for Navelina, the industry has been paying a fairly good price; it is said to be around 23 cents per kilo so that given the smaller sizes of the fruit this year –since sizes 5, 6, and 7 are abundant-- there have been producers who have been more

interested this year in the industry than in going abroad with their oranges. In fact, in the traditional markets for table fruit, it is noted that there is less output than usual due to this lack of large sizes."

However, the situation is going to be much better for second-season oranges, in which the benefit that the rains have had for the sizes has been noted. "In my case, I am waiting to be able to start exporting the Nave Late with leaf, for which very good quality and very good sizes are expected."

Egypt: Growers avoided the trap of overproduction

The Egyptian navel orange campaign began in early December. Growers avoided the trap of overproduction, which marked the previous season in circumstances not at all conducive to large volumes, namely the crisis in the Red Sea. As a reminder, Egypt was able to achieve record citrus export volumes last season, with 2.3 million tons, including 1.93 million tons of oranges, but at low prices. One grower says, "We've been able to avoid an oversupply of volumes at the national level this season, which is a great relief. Volumes are just optimal to cover the needs of the global market. Less density on the trees has given us better size distribution and better conditions in sorting and quality control."

The start of the campaign has been marked by the usual sluggishness at this stage of the season, while the competition in Turkey and Morocco is taking advantage of better logistical conditions to sell their volumes. One exporter said, "The Egyptian orange market has so far been nice but slow, which is not unusual. Like every season, I expect the campaign to intensify and reach its normal pace by the end of January".

The launch of the campaign was preceded by the Egyptian government's decision to cut export subsidies. In the agricultural sector, they were cut from 8-10% to 2.4-3% of invoiced amounts. This measure was greeted differently by orange exporters. Immediately, it could lead to a reduction in export volumes, an increase in prices, and a narrowing of the price gap between exporters. However, its impact will ultimately be positive, as one exporter sums up: "Intruders in the agricultural export industry will either leave this season or adopt good practices, and that's good news because they were harmful to the industry."

This measure immediately resulted in a drop in exports to Saudi Arabia, one of the three biggest markets for Egyptian oranges. One exporter says, "Usually, even before the start of the campaign, many ferries heading for Jeddah used to be mobilized in Egyptian ports, waiting to be loaded with Egyptian Navel oranges. This season, we haven't seen many". On the Saudi side, an importer says: "This is the reality of our market, due to commission conditions. Competition between Egyptian exporters means that the market is sometimes out of control on volumes

and prices." He adds, "Egyptian navels arrived in early December with high prices, which then dropped within a week, as is the usual market trend for Egyptian navels."

Egyptian exporters continue to suffer the repercussions of the Red Sea crisis, and the difficulty of supplying Asian markets. One exporter says: "We are approaching Far Eastern markets with great caution". Another says: "The Red Sea crisis is still with us, and will make the difference between Egyptian exporters on how resourcefully they adapt to it. We can intervene, for example, on parameters linked to the choice of insurance companies, or the rerouting of our shipments."

Finally, another parameter that is changing the current campaign is the revision of Global Gap certification, which results in a reduction in the number of exporters who can compete in Europe.

All of the above is driving up prices. Prices for navel oranges at the farm gate have risen from 8-9 EGP per kilo at the beginning of the previous season to 16 EGP per kilo at the beginning of the current one.

South Africa: Substantial rains welcomed during off-season

This is a quiet time of the year on South African citrus farms. In the northern provinces of Limpopo and Mpumalanga, where it had still been very dry at the start of December, substantial rains have been welcomed. The orange harvest only starts around May.

In 2024, The Netherlands remained the top destination for South African navels and Valencias. "Navel Oranges packed for export have shown an increase of 400,000 cartons compared to 2023. This year 25.1 million cartons of navels were packed, a 2% decrease from the original estimate," says the Citrus Growers' Association. "A total of 48.7 million cartons of Valencia oranges were packed this year. Notably, this is 4.7 million less than in the 2023 season and is a significant 16% shortfall from the initial estimates."

The high orange juice price of 2024 will likely extend for the next two to three years - some say even for the next six years. Some factors point to a continuation of the high prices as a result of the lowest juicing orange production in three decades. However, there is a fear that higher orange juice prices could lead to consumer resistance and a shift to other beverages, while juice manufacturers look for alternatives to orange juice.

"The million-dollar question now is what will happen in the short, medium, and longer-term? The person who knows this for certain could make a fortune trading on orange juice futures," the South African Citrus Growers' Association remarks.

North America: Availability varies coast to coast on North American oranges

Oranges in Florida are transitioning to late-season Valencia oranges. The supply is somewhat light but that will increase in the coming weeks.

The state has both a juice and fresh industry and is expected to shift a percentage of the fruit to the fresh side of the market. The fresh industry will maintain a steady supply through May and some houses may pack even later out of cold storage. Meanwhile, with good demand for oranges, the market is steady as is pricing. However, pricing may firm up given the value of the late-season varieties is higher.

While Texas also has some orange volume, the supply from California is also steady. With supply coming from Central California, the season started about a week late as growers waited for Brix levels to develop. However, Choice-grade fruit and smaller fruit are in shorter supply. Pricing is similar to last year.

Next week's topic: Blueberries

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