

2018 SOUTHERN AFRICAN CITRUS EXPORT OUTLOOK FOR 2018 SEASON

On 14 March, the Citrus Marketing Forum (CMF) of southern Africa met in Johannesburg to consider the growers' estimate for expected southern African citrus exports.

It is expected that a total of 131.7 million cartons (15kg) of citrus will be packed and passed for export from citrus producers in South Africa, Zimbabwe and Swaziland in 2018; a 7.1 percent increase on last year's export crop.

General trends to be expected across most varieties for the season include good internal quality, normal sizing and good external appearance due to the warm and dry climatic conditions experienced during the summer months.

The table below summarizes the southern African citrus estimate in 15 kg carton equivalents with exports from the previous three years:

	Valencias	Grapefruit	Navels	Lemons	Soft Citrus	Total Citrus
2015	52.7 m	15.7 m	24.5 m	15.1 m	10.0 m	117.9 m
2016	42.1 m	13.8 m	26.2 m	15.1 m	12.2 m	109.4 m
2017	54.0 m	15.6 m	21.1 m	19.0 m	13.4 m	123.0 m
2018*	53.9 m	16.8 m	25.6 m	20.6 m	14.7 m	131.7 m

Grapefruit A good crop is expected, with exports from southern Africa estimated at 14.8 million cartons (17 kilogram equivalents), eight percent up on last year's 13.7 million cartons. Pigmented varieties account for the bulk of the export with an expected 14.8 million carton crop; eight percent up on last year. White grapefruit volumes are up two percent to 1.7 million cartons. For the bigger producing regions, Letsitele expects a medium to heavy crop, fourteen percent up on last year's to 4.3 million cartons, and normal fruit sizes. Hoedspruit expects a seven percent increase over last year to 3.8 million cartons, recovering from their 2.4 million cartons drought and hail induced disaster in 2016. Limpopo River expects the same volume as last year with fruit size improving with late rains. Swaziland start select picking mid-March whilst Zimbabwe start in week 14, which is normal.

An early look at the markets indicated low star ruby stock levels with strong consumption in the EU creating an opportunity for southern African Star Rubies. The grapefruit market in Russia was dominated in March by Turkey with pomelos from China also available.

Valencia Overall exports from the southern African regions at 53.93 million cartons (15 kilogram equivalents) are almost unchanged from last year's 53.95 million cartons.

Letsitele, which accounts for almost a third of the volume attributed their region's eight percent anticipated growth to 15.2 million cartons to very good growing conditions and recovery from the drought. Typically, a medium-heavy crop in the past has resulted in medium-small fruit. The second largest player, Sunday's River Valley sees a recovery to seven million cartons in 2018 approaching 2015 levels after two years in the six million cartons range. Senwes' production volume is the same at six million cartons, but quality is better. Nelspruit experienced hail damage and although they have normal sized production they expect thirty four percent less exportable fruit to be packed this year. Western Cape volumes are seven percent down on last year due to dry conditions whilst sizes are uncertain due to weather conditions. Patensie also expect a drop in volume due to a poor fruit set. Northern neighbours Swaziland expect a good crop with fruit on the small side, whilst Zimbabwe anticipate ten percent growth and very good internal quality due to hot, dry conditions but adequate irrigation. Their sizes will peak on 72 due to young trees yielding bigger fruit.

In the European market, Spanish Valencia faced splitting challenges and drought conditions. Oranges and soft citrus were expected two weeks earlier out of market Egypt had a massive Valencia harvest but small sizes. In Russia, oranges were in the highest demand with leader in this segment being Egyptian Valencias. There was limited stock of Moroccan oranges in the Russian market and Turkish orange supplies ended mid-March. There was an also increased amount of small sized Egyptian Valencias in the Middle Eastern market.

The Chinese market is maturing, taking a wider range of counts and grades. Navels from Spain and Egyptian oranges were in the market in mid-March. Sweeter

local Chinese oranges are competing with less favoured Egyptian navels. There was surplus stock of Egyptian and USA navels in the Chinese market with the first arrivals of Valencias. Bangladesh is becoming an important market with South Africa increasing orange exports by one million cartons last year.

Navels The estimated navel export volume returns to normal from last year's disastrous 21.1 million cartons with 25.58 million cartons expected in 2018. This is still two percent down on 2016's volumes.

It expected that future growth in this commodity will come from late maturing varieties with early maturing orchards being taken out.

Senwes is the biggest exporting region showing five percent growth to 6.5 million cartons attributed to less hail damage this year. They had 100 mm to 150 mm less rain than last year so fruit is one size smaller and good internals are expected. Timing will be the same as last year. Sunday's River Valley's navel export crop recovers to 6 million cartons but fruit sizes may dull their export potential. Staying in the Eastern Cape, Patensie are 18% up on in comparison to last year's poor season. The Western Cape at 6.2 million cartons are seventeen percent up on last year, but dry conditions have tempered their recovery.

Lemons Lemon exports approach the 21 million cartons mark as new orchards come into production. The 20.6 million cartons estimate is eight percent up on last year's final volume. Sunday's River Valley expect to increase four percent on last year to 8.5 million cartons. Second largest lemon producing region, Senwes continue their strong growth to 4.5 million cartons. Sizing is expected to be slightly smaller than last year, averaging 113/138. Likewise, Hoedspruit grows nine percent to 1.45 million cartons. Letsitele and Limpopo River regions experienced some fruit drop due to Endoxerosis but volumes are not down on last year. The Boland region in Western Cape expect the same 1.25 million cartons with the drought effect being offset by new orchards coming on stream.

In the European markets; Spanish lemons were expected to finish three to four weeks early. The first RSA lemons arrived in the Russian market in March, competing with Turkish lemons which dominate this segment. In the Middle East the lemons market was

already under pressure and they are expecting increased lemon volumes from South Africa and Argentina. South African lemons are earlier this year and competing more with Egyptian and Turkish lemons. The Turkish lemon quality is good this year.

Soft Citrus As in the case of lemons, soft citrus' upward trajectory continues. With an update following the CMF meeting the Soft Citrus Focus Group revised their projection further to indicate an overall growth of nineteen percent to 15.9 million cartons. Growth is driven by the late mandarin types, increasing twenty four percent to 6.9 million cartons.

The Boland region expect a similar 3.3 million cartons to last year with the growth from new orchards coming on stream countered by the drought effects.

Western Cape (2.6 million cartons) mandarins are around thirteen percent up with a good crop except for Morr and Orr which are down. Nelspruit (2.2 million cartons) experienced a lot of hail damage which hampered their growth. They anticipate one size smaller on all counts. Letsitele late mandarins show a big growth in volume and smaller fruit, which is good. The Eastern Cape Midlands (1.1 million cartons) expect good season with good sizes and excellent quality. Sunday's River Valley (1.6 million cartons) show a general increase of thirteen percent with young trees coming into production. Their counts are one size smaller than 2017.

Patensie (2.6 million cartons and 24% growth) have new trees that are coming into production with Novas, late mandarins and even Satsuma hectares on the increase.

Southern Hemisphere Satsuma volumes are eagerly awaited in the U.K. There is a relatively high stock level for Lemons in the market, from Spain and Turkey. Demand is not currently very high. In Russia, the soft citrus market is dominated by Morocco with a premium price paid for late maturing mandarin varieties. Last year Bangladesh was an important market for soft citrus; more than doubling their imports from South Africa.

Overall, the South African soft citrus outlook is that of growth in volumes due to new plantings coming into production, being tempered somewhat with drought in key growing areas.