Mandarins squeezing satsumas and navels

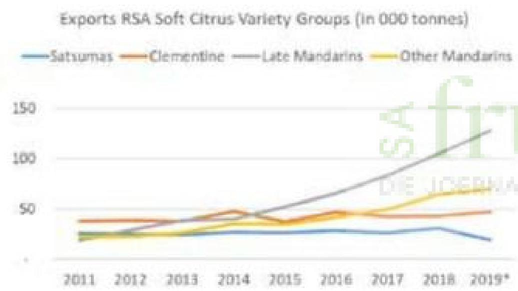
JOHN EDMONDS

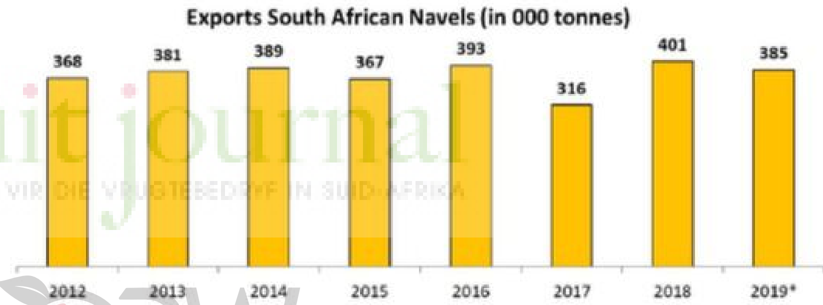
Two discussion points have been raised frequently in the orange and soft citrus focus groups in recent years: the massive growth in late mandarin types and the increasing effect of growing Egyptian exports on the start of the southern African orange export season.

South African orange growers note that returns on this product have been relatively poor in recent seasons and that future export prospects look grim. Opinion is that South African navels are being squeezed on two fronts. Firstly, in the early season by increasing Egyptian orange exports lingering longer in the EU markets and secondly, with consumers switching to mandarins for hand fruit.

For satsumas there is a feeling that for Northern and Southern Hemisphere producers, this variety will come under increasing pressure by the counter seasonal export offering of the other hemispheres' high quality late mandarin types.

The relative stagnation in South African satsuma and navel exports can be seen in the following charts (2019* is an estimate at week 23 of 2019).

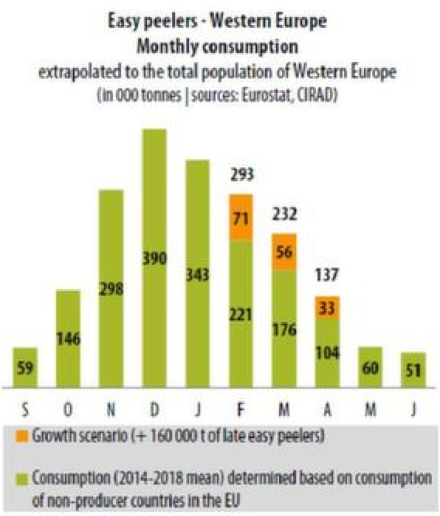


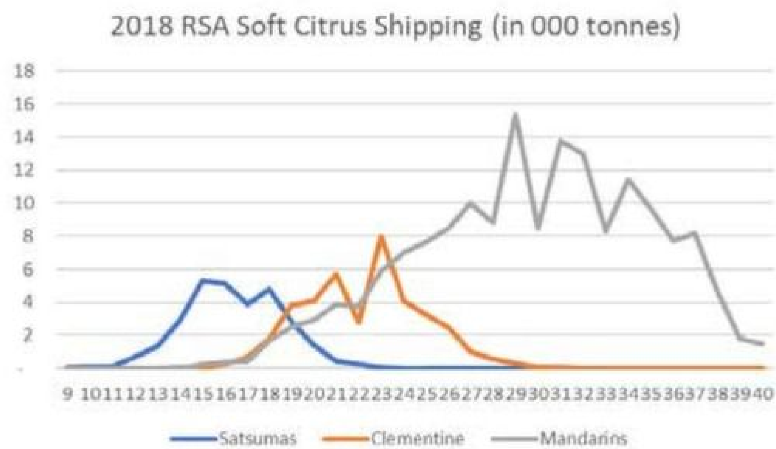


RSA Satsumas in April (peak week 16) and Northern Hemisphere satsumas around September/ October.

Increasing pressure of high quality late EP – see the article in the January edition of FRUITROP, with a projection of the Mediterranean exports in the coming years.

Returns for Mediterranean late-season easy peelers have remained stable in recent years, despite considerable growth in the supply during the period January to April. The following chart (source: FruiTrop magazine No 262; January 2019) illustrates the potential growing threat to South African satsuma exports which roughly take place from week 10 to week 20 (i.e. March to May). The growth in SA clementines, novas and late mandarins does not allow for spread into later weeks for our satsumas.

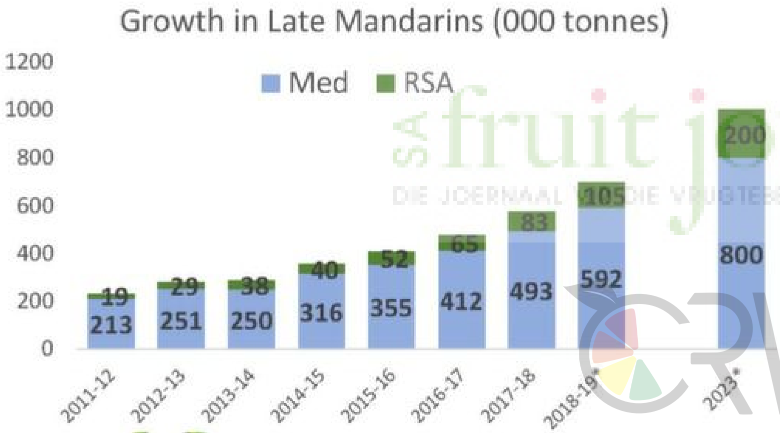




Plantings of these late maturing varieties will see continued growth in both the hemispheres, as illustrated in the chart below (Source: FruiTrop and CGA).

SA navels may feel increasing pressure of late oranges from Spain with an explosion of the planting of late navels at the end of the last decade, as well as renovation of Spanish Valencia orchards to high quality cultivars such as Deltas and Midknights; and then there's Egypt.

EU imports of Egyptian oranges rose by 150 000 tonnes in four years, to reach 325 000 tonnes in 2017-18 (source: FruiTrop). Egypt (1,52 million tonnes oranges exported in 2017) is likely to overtake Spain (1,56 million tonnes oranges exported in 2017) as the leading exporter of oranges. Low labour cost, input costs and a relatively weak Egyptian pound make Egyptian citrus exports very price competitive. State sponsored programs to increase the land available for agricultural production is likely to fuel further growth in the citrus sector. The substitution factor of mandarins for navels is difficult to quantify, but real nonetheless.



Advice from first joint Valencia and Navel Focus Group teleconference, week 22 of this year:

1. Growers must calculate accurately and decide whether to export or send to local or juicing facilities.
2. Growers should ensure they have a buyer before exporting and avoid consignment sales.
3. Market forces and the increase in late maturing navel varieties will put pressure on Valencias to start later.
4. The need for good quality exports is paramount.

Citrus Growers' Association
OF SOUTHERN AFRICA
Grower levies working for you!