GLOBAL CITRUS SCAN (27/2010)

John Edmonds (20 August 2010)

Citrus Growers Association (CGA)

Current Exchange Rate at 11:20	**R/$ 7.26**	**R/€ 9.32**	**R/£ 11.33**
Last Week:	**R/$ 7.29**	**R/€ 9.37**	**R/£ 11.38**
Last Year:	**R/$ 8.03**	**R/€ 11.38**	**R/£ 13.24**

AU: Queensland citrus growers seek US access

Queensland citrus growers are fighting for access into the United States market. The current pest status means citrus from the Sunshine State is not allowed to be exported to the US. Lobby group Citrus Australia says negotiations have begun to have that rectified. But CEO Judith Damiani says it's not a fast process. "You know, four to six years we're looking at if we can, if everything goes well," she says. "It is a bit of a longer term outlook for us… "But nonetheless, it does fit in with production levels increasing. "There are still a lot of non-bearing trees in Queensland and we're also looking at developing other export markets."
[abc.net.au ; Publication date: 9 August 2010]

Citrus opportunities in Russia

"Russia's retail sector will expand by as much as 15% a year and the citrus industry should claim its share," said Pierre Escodo of Eurofresh Distribution magazine at the Global Citrus Conference…"Russian's modern retail sector is comparatively young – only about 15 years old – and expanding very quickly. The top 10 Russian grocery retailers say their sales may double by 2015, but they'll remain low compared to most European countries," said Escodo…"The modern retail sector should continue to grow and the citrus industry should claim its share of this market before competing fruit exporters fill the gap with other fruit types." … South Africa is the main orange supplier to the United Arab Emirates, exporting just over 63 000t of oranges there per year," said Escodo. "SA exporters should use this advantage to increase sales here and in other Middle Eastern countries." Saudi Arabia has one of the largest Middle Eastern markets with a fast developing agricultural industry. The country imported 319 000t of citrus in 2009 (50% from Egypt) while lemon imports rose from 43 000t to 130 000t last year.
[meattradenewsdaily.co.uk; 9 August 2010]

USA: January Freeze Pays Off For Citrus Growers

HAINES CITY | Normally considered the bane of Florida citrus growers, this January's freeze may have rescued the 2009-10 season…Essentially, industry officials say, Florida growers hit the jackpot when buyers, relying on historical data, bid up citrus farm prices in anticipation of fruit shortages that never came. "Definitely, the freeze helped the (early-mid season varieties)," said Tom Spreen, a University of Florida economist specializing in citrus economics. "There was some market psychology at work that boosted prices." Freezes usually devastate the existing citrus crop and damage trees, reducing future fruit production for a year or more… The resulting fruit shortages traditionally pushed up farm prices that citrus growers got from juice processors and brokers, who buy 95 percent of Florida's orange crop. But most growers will tell you the higher prices barely, if ever, make up for fruit losses when they close their books at the end of the season. That history didn't repeat itself after a month of freezing weather that struck Florida in January. "It was definitely a profitable season. Growers did well," said Larry Black, production manager at Peace River Packing Co.
The final 2009-10 Florida orange crop finished at 133.6 million boxes, down 18 percent from the previous season's orange crop of 162.5 million boxes, according to the U.S. Department of Agriculture…Florida grapefruit finished 2009-10 at 20.3 million boxes, down 6.5 percent from 21.7 million boxes the previous season; the tangerine crop ended up at 4.5 million boxes, up 17 percent from 3.85 million boxes in 2008-09; and tangelos at 900,000 boxes, a 22 percent decline from the previous season. More than 60 percent of grapefruit goes to juice, but the lion's share of tangerines and tangelos is sold as fresh fruit.
The other big factor that pushed up 2009-10 Florida citrus farm prices was a continual decline in the Brazilian orange crop, Spreen and Norberg said. Brazil is the world's largest orange grower and processor, accounting for about 50 percent of global OJ supplies annually. Florida contributes about 35 percent of the world's OJ, almost all of it sold in the U.S. and Canada. …Sao Paulo, Brazil's principal juice orange region, produced just 296 million boxes of oranges in its 2009-10 season, which runs from June to February. That was down 10 percent from its previous season and off from about 400 million boxes harvested a decade ago.
[theledger.com; 18 August 2010]

If you need more information on any of these issues, or if there is anything else that CGA can assist with, please contact us at 031 7652514, or johne@cga.co.za
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