GLOBAL CITRUS SCAN (07/2011)

John Edmonds (4 March 2011)

Citrus Growers Association (CGA)

Current Exchange Rate	R/$ 6.88	R/€ 9.57	R/£ 11.21
Last Week:	R/$ 7.09	R/€ 9.74	R/£ 11.46
Last Year:	R/$ 7.53	R/€ 10.29	R/£ 11.33

[www.oanda.com/currency/converter]

Juicy citrus profits for Argentina and Peru in 2011

As the world's largest lemon exporter Argentina expects to squeeze out an extra 25% in production in 2011, while Peru is on track to boost exports by 20.9%, Latin American media reported. Argentina may be suffering harvest delays this year but industry leaders from the major lemon-growing province of Tucumán predict an extra 250,000 metric tons (MT) of production, reported On24.com.ar. The province accounts for 90% of the country's production and while only 30% is exported as fresh fruit, that amount still equates to around US$250 million worth, the story reported.
The story said industry groups could agree to forcibly slow down exports to avoid price depression, taking similar action to what was done in 2008 when 40% of shipments were cut. While Argentina is a dominant world player with the ability to affect prices, its lemons have to compete with Spanish lemons at a similar time.
While production figures are looking positive, Argentina's hope for market re-entry in the U.S. have suffered a setback due to a diplomatic row over a military aircraft delay in Buenos Aires' Ezeiza airport, reported Lagaceta.com.ar.

Peru's lemon exports will likely rise 13.9% in 2011 and will be part of an expected $58.5 million worth of citrus shipments, market consultancy Maximixe told Andina.com.pe. The forecast is a significant jump from the US$56.9 million recorded in 2010 and is mostly due to higher demand in international markets and a rise in mandarin production, the story reported.
Maximixe told Andina that mandarins would rise by almost half this year, orange exports would rise by 75.6% and limes were expected to increase by 17.2%. In terms of the breakdown of citrus exports, mandarins make up 61.9% and oranges constitute 7.1% of exports. Peru's major mandarin markets are the U.K. (34.6%), the U.S. (21.1%), Canada (17.3%), the Netherlands (13.3%) and Ireland (3.4%), the website reported.
[www.freshfruitportal.com; 28 February 2011]

Mexico to boost Japan exports

Mexico's authorities have agreed to increase exports to Japan between 2012 and 2016, with particular focus on agricultural products such as citrus fruits, pork, beef and chicken, reported Prensa-latina.cu…Francisco Mayorga, who is in charge of SAGARPA, said orange exports would increase from 4,000 metric tonnes (MT) to 4,100MT in 2012, while orange juice exports would rise from 6,500MT to 6,800MT, the story reported.
[www.freshfruitportal.com; February 24 2011]

Brazil: Lemon producers bet on exporting

Lemon harvesting has already started in São Paulo, producers are looking for the best prices and exporting is looking to be a good business. Citrus producer, Sérgio Belentani, has 1,200m² of lemon orchards on his property in Taquaritinga, in São Paulo. He explains that the fruit is produced the whole year, but in the harvesting time, that starts now, the profit is smaller. "It got to its peak at R$35 per box, today people talk about R$7 per box of 28 kilos", Belentani said. São Paulo is the biggest producing state in the country and the Taquaritinga region is responsible for half of that production, with 10 million boxes of the Taiti variety per year. The president for the city's Rural Syndicate, Marco Antônio dos Santos, explained that today the producer has three alternatives when the time to sell the fruit comes: "He can work with the internal market of fresh fruit, supply for the juice and essential oils industry or export". In the internal market the 27kg box is being traded at R$7, the industry can pay R$9, but the best option for the producer is to export the fruit which is trading at R$12 per box. A good business that the citrus producer, Pedro Magnani, found after 30 years. In the last five years he started exporting. Today he has 2,800 m², produces more than 340 tons per year, 60% of which goes to the export market. Among the buyers are France, Canada, USA and Dubai.
[globo.com; 3 March 2011]

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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