GLOBAL CITRUS SCAN (15/2011)

John Edmonds (21 April 2011)

Citrus Growers Association (CGA)

Argentina: Lemon exports take too long

The cargo ship that will transport the first lemon exports of the season to Russia and Ukraine is waiting in Buenos Aires to be loaded. But due to frequent rains and the strike held by Uatre, have worsen the situation has worsened. This strike came to be because the number of packages does not justify the shipment, a problem that is thought to be solved between this week and next. According to estimations, during this season there will be about 1.2 million tons of lemons harvested that compared to last year is approximately 250,000 tons more. Sources from ATC confirmed that some of the packages were already sent with fruit to the ports, whereas in other cases for example citrus has to be treated so it can be exported.
[Lagaceta; 19 April 2011]

Turkey: Lemon peels more profitable than fruit, trade figures show

Citrus farmers in southern Turkey are gathering surprising profits from their yield by exporting fruit peels to European Union countries, according to the chairman of a company in the agricultural trade business. Ömer Elçiçek, chairman of an agricultural products trading company said that that the fragrance-producing companies in Europe were showing a keen interest in Turkish citrus peels… due to an abundance of yield, sharply slashed lemon prices have put farmers in dire straits. While the price per kilogram of lemons in the region is 0.30 Turkish Liras, 1 kilogram of lemon peels obtained from 5 kilograms of lemons is selling for 4 liras…The farmers learning about this are applying to us and we are currently working to improve our export capacity to be able to trade the rising supply," Elçiçek said…Elçiçek said the companies purchasing the peels were mostly producing oil from the peels for cosmetics and aromatherapy sectors. According to his account, the biggest export market is France, Europe's biggest cosmetics producer, followed by the rest of the chief EU countries.
[hurriyetdailynews.com; 20 April 2011];

No changes are expected in the international demand for citrus, according to USDA reports.

The citrus industry in Argentina is undergoing a period that is crossing the expectations of higher production than obtained last season, but with caution due to the evolution of external prices of fruit, which are less toned in respect to the values of 2010… the U.S. Department of Agriculture (USDA) stressed that the Argentinean citrus activity is presenting good prospects of production, with an estimated increase of 1.25 million tons for lemon, 900,000 tons for oranges and 400,000 tons for tangerines. In contrast, in the case of the grapefruit, it is expected to fall to 130,000 tons, due to reduced acreage. According to the INTA Famaillá, it is expected that this increase in supply will be absorbed by the domestic market, as no changes are foreseen in international demand…the USDA does not expect a significant diversification of markets that receive citrus from Argentina. According to the report, there is an interest in fruit shipments to China, which stopped receiving citrus after the establishment of requirements for products to enter their market that were almost impossible to satisfy. Discussions are also underway to re-open the U.S. market for citrus, but with reservations on the results, as health authorities in that country are renovating the phytosanitary requirements to allow the re entry of lemons to that market.
[Lagaceta; 20 April 2011]

Strong market for North American citrus imports

The first citrus for North America from South Africa will arrive in June. The United States only sources citrus from the Western Cape, which is the only area of South Africa with phytosanitary permission to export to the United States. Canada is allowed to import from all regions of South Africa including the Eastern Cape, the Western Cape and the Northern Province, so they'll receive some citrus a little bit earlier. Mark Greenberg, COO of Fisher Capespan, expects a good strong market in Clementines this season in both the United States and Canada. The Chilean growers estimate that their crop is slightly down in volume and that their sizing will also be tending toward the small calibers. The South African's, though, will have larger sizes, which should do well in the market. We'll have to 'wait and see how the market reacts.' South Africa has a normal crop, and will focus their North American exports on the East Coast. They have good sizes and the quality is very good.'
"Summer navel oranges traditionally face very good market conditions with only limited volumes arriving from Chile, South Africa and Australia. Last year, though, the early summer was complicated because the California crop stayed in the market until August which backed up imported navel sales and inventories. This year the Californian crop is not expected to stay in the market that long. So we expect a normal, stable market for navel oranges."
Peruvian Minneola's will arrive in the USA in mid July. "This is a very important product for the Peruvians and represents their single largest citrus export to the USA. Peruvian citrus, which only started arriving in the USA in 2006, is a relative newcomer to the USA market. Europe and the United Kingdom remain important destinations for Peruvian citrus, but the USA takes its share of Minneolas and mandarins."
South African grapefruit will this year appear in the USA market for its second season. "This fruit is produced in the Northern Cape and is unquestionably the best grapefruit in the USA market during the North American summer."
[Freshplaza.com; 20 April 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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