GLOBAL CITRUS SCAN (28/2011)

John Edmonds (5 August 2011)

Citrus Growers Association (CGA)

Current Exchange Rate	R/$ 6.82	R/€ 9.71	R/£ 11.15
Last Week:	R/$ 6.68	R/€ 9.58	R/£ 10.91
Last Year:	R/$ 7.27	R/€ 9.59	R/£ 11.56

[www.oanda.com/currency/converter]

Frosts to trigger Chilean crop conversion

Chile's Citrus Committee is calling on growers to assess their situations in the wake of frosts, to decide whether to invest in damage mitigation or change crops entirely. The committee's president Juan Enrique Ortúzar told www.freshfruitportal.com the industry will need to make these tough decisions very soon… "Areas that should be converted are in those zones where low temperatures are registered for many hours, and if that's consistent with data from previous frost periods then conversion could be the best alternative." For this reason the committee has led seminars recently to address the problem with growers. Ortúzar recommends producers collect and assess information very carefully before making these types of decisions. The committee is engaged in several schemes aiming to bolster Chile's competitiveness and quality in the citrus industry, as well as anticipating seasons. It is also developing a parallel ripening program and working on the opening of new markets like China and Brazil
[www.freshfruitportal.com; 3rd August, 2011]

Limpopo rail could receive shot in the arm

_Transnet Freight Rail (TFR) and Limpopo's roads and transport department (LDRT) will conduct feasibility studies in the 2011/12 financial year on plans to improve freight services in the province. These plans include developing agro-processing hubs for agricultural products and moving agricultural goods by rail from Tzaneen/Letsitele to ports in Durban, Cape Town and Coega. TFR CEO Siyabonga Gama and LDRT MEC Pinky Kekana signed a memorandum of understanding (MOU) on 21 July, and investigations into the technical and economic viability of developing railway, agro-processing and mining infrastructure in Limpopo should be completed within a year. A citrus hub with sorting, packing and cold-storage facilities is a possibility, as is the establishment of a Fresh Produce Market in Polokwane. Once the feasibility study has been completed and the projects are deemed viable, the parties may enter into more definite agreements. Limpopo's agricultural sector produces a wide range of products, including citrus, fruit and winter vegetables. As a key contributor to the economy and employment, moving agricultural goods to the ports quickly and efficiently is of strategic importance. Kekana said freight transport made a vital contribution to the economy and society, and was "at the heart of globalisation".
[Farmersweekly.co.za; 3rd August, 2011]

Competition heats up in U.S. citrus market

U.S. importers have noticed strong demand for both domestic and foreign citrus fruits this year, but reports are mixed about availability on the East and West Coasts. New Jersey-based Seven Seas Fruit believes concerns over South American frost damages have been 'exaggerated', but Californian company LoBue Citrus has noticed the effects. Chile's Citrus Committee says it will still be three weeks before the full effects on oranges, lemons and mandarins are known. Seven Seas vice president of imports Bill Weyland says the level of competition is 'tremendous' in the U.S. citrus market right now, with a larger Californian crop and the usual Southern Hemisphere suspects vying for sales during the overlap period. "I don't believe that many of the overseas grower or exporters looked at the California navel situation and factored that in; especially the impact it would have on the front end of the program," he says. "California had a large crop. The weather that California had this past season allowed for an extended harvest period and there are still California Navels in the market. "Australia, South Africa and Chile will always overlap in this market – the front end of the market window for imported navels will always be dependent upon the impact that California will have in the market..." While frost damages in Chile have generated concerns in the U.S. market, Weyland says the South American country's navel orange shipments were already running far ahead of last year. He says the North American market has reacted positively to increased navel volumes from Chile, with good demand for easy peelers and lemons as well. He says Australian volumes are likely to be down on last season – despite the country's bumper crop, the high Australian dollar has made exports to the U.S. less profitable. "The challenge facing southern hemisphere growers is their rising input costs and the poor currency exchange rates that have been prevalent for the past years…"
[www.freshfruitportal.com; 1st August, 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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