GLOBAL CITRUS SCAN (31/2011)

John Edmonds (26 August 2011)

Citrus Growers Association (CGA)

SA Citrus Picks up in the Middle East

South African citrus are now dominating the Middle Eastern market with competing Egyptian stocks all but finished for the season, according to G.F. Marketing director David Pearce. Pearce says Navel orange sales have increased almost threefold during the last two weeks, while most of the remaining Egyptian Valencia supply is of poor quality and has to be re-sorted before sale. While South African oranges have been dominating the market during this month of Ramadan, demand is still not high enough to move all the volume that has been shipped... Good quality Navel oranges are fetching between AED50-52 (US$13.61-14.15) per carton, but the large volumes of bad quality fruit are reaching prices as low as AED35 (US$9.53) per carton. Pearce says there has been a big increase in the sales rate for Valencia oranges as well, with a price of around AED48 (US$13.06) per carton. Easy peelers are also selling well at more than AED50 (US$13.61) per 10kg (22lbs), but results have been mixed for other fruits. “Grapefruit is still a disaster and fruit are not moving, lemons are decreased in price slightly but again, South Africa is alone in the market and it is expected that sales will remain good.”
[www.freshfruitportal.com; 17th August, 2011]

"South Africa Need These Prices to Cover Costs of Growers"

According to Eddy Kreukniet of Exsa Europe the orange market is recuperating. "It is logical that South Africa supplied less because of the prices, it must be cost effective for the growers." …Eddy is of the opinion that the South African season had a bad start. "At the time there was an enormous amount of fruit on the market and as a result of additional aspects, such as less consumption and EHEC prices decreased as well. There was simply too much fruit with a moderate consumption. The prices decreased to about 7 or 8 euro and this gave South Africa a fright. It will take a while before the market stabilises, but prices are now already getting better." "The result of the low prices was that South Africa exported less to the EU and that is of course obvious" Eddy says… When the other markets, such as the Middle and Far East pay more, then it is logical that they supply more there. Good prices are necessary to be cost effective at the other side." "Finally South Africa supplied 20 to 25% less fruit for a period of weeks and the market now reacts to this." As a result the market is recovering. "Also other markets, such as Russia are buying more. It is a fact, however, that South Africa is plagued less by competition and there are no large volumes from Argentina, Brazil and Uruguay. Demand is getting better and prices are also on the way up. We are returning to a normal level for the time of the year. Prices are going in the direction of 10 euro and will definitely go to 10 euro plus…The season is indeed still long and all kinds of things can still happen, but at the moment I am positive" Eddy concludes.
[www.freshplaza.com; 22nd August, 2011]

Difficult Citrus Market in Southern Europe

The European citrus market seems to be flat at the moment and this is also the case in France. Olivier Fakhri, Georges Helfer SA, a French importer of South African citrus, explains that grapefruit did well at the end of May / beginning of June but has been difficult since then. The price has been decreasing and has now reached a critical level of 9-10 Euro for 35s- 40s and 8 Euros for 50s-55s…South African grapefruit was a couple of weeks early this year which has clashed with seasonal fruit (apricots, melons, stone fruits) and has had a big affect on demand. The European market has an excess of grapefruit at the moment which is proving difficult to shift. Argentinean grapefruit is still on the market and selling cheap at 6-7 Euros and the Mexican grapefruit has also just entered the market and will be arriving in volumes from the end of August. According to Olivier the quality of South African grapefruit is not a problem and the fruit which has been in storage is still, on average, of fair quality. He hopes the end of the summer holidays will improve demand for citrus, above all for grapefruit. He would like to clear off grapefruit stocks by the end of September before too many origins hit the market (Mexico, Turkey, Israel). As far as oranges are concerned, when the first South African oranges arrived mid-July, they entered a market still full of Spanish fruit, but due to the poor quality most retailers are now finally switching to South African oranges. The end of July saw some volumes of big counts 48/56 Valencias available on the market and importers experienced some difficulties in selling these sizes, which was not good for Valencias. According to figures from South African producers, they expect to export 20 to 30% less oranges this season, above all for small counts 72/88/105 where importers are expecting a good market demand in the coming weeks, with hopefully, increasing prices.
[www.freshplaza.com; 19 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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