GLOBAL CITRUS SCAN (21)

John Edmonds (6 July 2012) Citrus Growers Association (CGA)

Chilean Clementines approaching "rapid" finish, U.S. Importers claim

Chile's clementine harvest is expected to finish 10 days earlier than normal, which could potentially leave a gap in U.S. supply for the first two weeks of August between the early and late varieties. U.S. importers have seen a surge of Chilean shipments in the last three weeks as growers have tried to harvest quickly to beat the recent wet weather. Oppenheimer category director for clementines James Milne, said there had been a convergence of supply with the first pallets of South African clementines arriving last week…He said normally Chile would continue harvesting throughout July but the harvest was coming to a "rapid" finish. This was because growers were attempting to beat dropping acidity levels produced by trees absorbing more moisture following the wet weather. DNE World Fruit Sales clementine category manager Matt Gordon, said Chilean supply in the last few weeks was 40% greater than the same time the previous year. "This is a pressured month. Chile has larger sizes and a higher packout and they are 10 days earlier this year which means we have had more volumes early. Everything has moved up a week earlier than last year."…Gordon said Chile fetched good prices at the beginning of the season in May, because Californian supply finished in April instead of the beginning of June due to cold weather. At the start of the season freight on board (FOB) prices for a 15 kilogram re-packed box reached US$40, compared with between US$24-28 per box at the moment. "You are getting a vicious price adjustment downwards to get the fruit moving again," said Milne.
Chile and South African early varieties include Oranules and Clemenules with later varieties such as W. Murcotts arriving from mid-August from Chile and Peru, along with late season mandarins from South Africa.
[www.freshfruitportal.com; 4 July 2012]

Spain: Castellón could lose 6,000 hectares of citrus

Campaigns end and prices drop. Farmers in Castellón and in the Community see no way out. This is caused by the lack of help, government debts and the ongoing price decreases… Castellón could lose up to 6,000 hectares of cultivation because producers can't cover costs. Perspectives are not any better for the whole Valencia Community. In 2011 they lost about 13,000 hectares, predictions are that at the end of 2012 area of abandoned cultivation will reach 20,000 hectares. Clemenule is, possibly, one of the most clear examples of the situation faced by growers. This mandarin variety - the main cultivation in Castellón - closed the campaign with a drastic price fall. Now, 0.04 Euro is paid for this fruit, despite its cost of production being 0.24 Euro. Of course there's no way to continue.
[Las Provincias via Freshplaza.com; 3 July 2012]

Egypt Exceeds Expectations and "Surprises" Orange Market

Egypt's decision to send up to 35% more Valencias to the Middle Eastern market in the lead up to Ramadan on Jul. 20 has led to oversupply, with prices dropping for South African Navels. South African exporters describe the market as "tough" with the freight on board (FOB) price up to 20% lower at about US$7-7.50 per 15 kilogram carton of small sized Navels, compared with between US$9-10 last year. Sunday Rivers Citrus Company marketing director Hannes de Waal, said one of the challenges South African exporters faced was lack of information about the Egyptian market.
He said he expected Egypt to send more Valencias to the Middle East but the sheer scale of volume in the market was a "surprise". "Supply has continued longer than what we expected and their crop is still growing; they planted a lot of Valencias in the last couple of years – potentially their crop will double in the next five years… Capespan Middle East export manager Christo Botha, said Egypt's move to send more fruit to the Middle East was a reaction to the economic crisis in Europe. "They saw the writing on the wall in Europe with Italy and Greece and they drew back on volumes and decided to store their fruit, knowing that Ramadan is earlier this year." Last year Egypt sent oranges to the Middle East up to the end of June, but this season it is predicted they will continue until the end of July to catch the surge in demand for citrus running up to and throughout Ramadan. Botha said it was important to send fruit to the Middle East before the post-Ramandan celebrations of Eid, Aug. 19, as the market tended to die down after this date. "Egypt is here later than normal, so we have geared back, because if you over supply you can loose your boots, we are taking things a little slower. We are very cautious given the current circumstances." He said Capespan would be looking to send more fruit to other markets such as Asia, the U.K., Europe and Canada. Lona Citrus logistic director Charl Milleskie said another reason why Egypt was sending more fruit to the Middle East was because they could no longer export to Iran with closure of the Iranian border. "It's causing a big headache for us. Last year they killed the Russian market and this year they are killing the Middle East market." He said his company was currently focusing on sending fruit to Canada, the Far East, the U.K. and into Russia. "Last year 30% of our citrus volumes went to the Middle East. This year it will be significantly less."
[www.freshfruitportal.com; 4 July 2012]

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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