GLOBAL CITRUS SCAN (31)

John Edmonds (14 September 2012) Citrus Growers Association (CGA)

Argentina: Yield good despite gloomy predictions

The high inflationary production costs in Argentina, in addition to the global economic crisis, predicted a complex campaign for Argentine lemons. All Lemon, the quality seal created in 2010 to perform comprehensive audit on quality assurance controls to fifteen leading lemon producers, took more actions to face the current scenario, including more stringent weekly controls across all packing lines… "We were fortunate that these negative predictions were not met because the April rains delayed the campaign kick-off until May, while by April the fruit volumes in the Northern Hemisphere had been used up. Consequently, Argentine lemons entered those markets in a notably clear scenario, not quite simple but with stable prices throughout the whole campaign", explains Carlos Parravicini, General Manager, Argenti Lemon… Additionally, the lack of frosts typical of July, ensured exports of the expected lemon volumes, while the resulting absence of potentially damaged fruit encouraged a more relaxed working context compared to the past two years. Also, the absence of frost will enable optimum flowering and volumes, and high quality fruit for the 2013 campaign. The present campaign is developing as expected. "Exports to other destinations, except Europe and Russia (the major All Lemon lemons consumer markets), has grown consistently in recent years. In 2008, 15,800 tons were exported; in 2009, 10,813 tons; in 2010, 8,203 tons; in 2011, 20,356 tons, and this year, 23,458 tons were exported. These figures show that this has been a record year for exports to new destinations, while they indicate the strong commitment assumed by exporters to continue developing these markets.
[Freshplaza.com; 13 September 2012]

El Niño effects still uncertain for South Africa

South African fruit growers are taking a 'wait-and-see' approach over the growing possibility that El Niño will cause an unusually dry summer in the country's northeast. South African Weather Service metereologist Cobus Olivier, estimated there was a 60-70% probability El Niño would result in a lack of rainfall in the region. "It could be detrimental to our rainfall. It depends on whether local sea surface temperatures dominate, if they do we might not see the typical effects of El Niño, which are drier conditions and less rain." He said it was widely predicted that 1997's El Niño would affect crops resulting in farmers losing millions of rand but in fact the effects were relatively mild. El Niño is a result of abnormal warming in the Equatorian Pacific with the potential to disrupt weather patterns across the across the Asia-Pacific region and beyond. Bosveld Citrus managing director Piet Smit said his company, which has a high volume of Valencia and grapefruit orchards in the region, was not taking any special measures at the moment. "Once you are sure you can look at your re-planting program to take out some trees earlier to save water. Fortunately, in production areas we have storage dams and if managed well they can take us through a season or two." Bosveld Citrus is one of South Africa's largest citrus growers with a total of 500 hectares of Valencias and grapefruits, exporting six million 15 kilogram cartons a year. Exporter Core Fruit technical manager Steve Turner agreed it was too early to start taking action… Turner said the 1991-2 El Niño which sparked serious droughts in South Africa resulted in northeastern farmers abandoning their older orchards in a bid to rescue their younger trees. "To start with any concrete contingecy plans is a little bit speculative. Until you are in it, it's difficult to justify doing anything radical." Other parts of South Africa, such as the Western Cape, are not expected to be affected as they benefit from rain in the winter months.
[Freshfruitportal; 13 September 2012]

Spain: "German pressure to open up Valencia citrus prices unacceptable"

The Union of Valencian Agriculture, AVA-ASAJA has ascertained that German wholesalers and major distributors of fresh produce have begun an aggressive campaign to beat down Valencia citrus prices. According to the Union, German companies are not hesitating to put strong pressure on Spanish suppliers in order to get prices down. The offensive, warns the Union, could spell doom for the industry. "The situation is getting worse," says Cristóbal Aguado, the chairman of AVA-ASAJA. "The German pressure is affecting the whole market…AVA-ASAJA has high expectations from a new law announced by the Minister of Agriculture this month. Also, EU officials have made public their intent to tackle some of the issues raised by the German tactics…Aguado warns that if prices go below production costs (0.21 cents for the orange, 0.26 cents for the mandarin), growers won't sit idly by. "We will continue to fight this unacceptable attempt to ruin us."
[Freshplaza.com; 10 September 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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