GLOBAL CITRUS SCAN (32)

John Edmonds (28 September 2012)

Citrus Growers Association (CGA)

Brazil: Government funding to stabilize orange prices

The Brazilian government has made available 120 million Reais to stabilize the price of oranges on public auctions. Regulation Nº 841, assigned by several ministries and outlining criteria for participation in the auctions, was published in el Diario Oficial de la Unión (DOU) last Wednesday. The auctions are being monitored by the Compañía Nacional de Abastecimiento, basically the National Board of Auctions. By the end of the year, several auctions will be held in order to regulate excessive production, presently estimated to be between 15 and 20 million crates.
[Freshplaza.com; 24 September 2012]

Argentina: Entre Rios tangerines to be exported to Philippines in 2013

An action plan for the export of Argentina's fresh citrus to the Philippines, which will allow the sale of 3,000 new containers in 2013, was agreed by plant health services of both Governments, during the visit of the Minister of Foreign Affairs Hector Timernan to the Philippines. Entre Rios produces 50 percent of the country's citrus and 60 percent of that exported by Argentina, whereupon the opening of new international markets places the province in a strong position to continue growing. "This is excellent news for citrus growers from Entre Rios, especially at a time when the sector is suffering the consequences of a climate phenomenon that punished us in winter," said Governor Sergio Urribarri.
[Freshplaza.com; 18 September 2012]

Maersk Line confirms capacity cut

The container line is to scrap 25,000 TEUs worth of its reefer boxes this year, more than 10% of its existing fleet, in order to support an attempted 30% rate hike.
[Reefertrends; 26 September 2012]

Reefers or containers? The future of international shipping

There are signs of a shift away from conventional reefer shipping in favour of container shipping, when it comes to the export of fruits. Drewry maritime Research's Container Consensus suggests the same - "The maritime refrigerated container fleet grew by a record 13% during 2011 and ended the year at 2,048,000 teu. This was almost double the 6.6% increase achieved in 2010 and, in fact, one of the highest rates of annual growth ever reported for the sector." …An article in the Financial Times recently explained how Fyffes had managed to make savings as a result of their doing just that. Sharon Cilliers of South African company, Goreefers, says this is no new thing…"This has been happening for the past 8 years or so, it's just accelerated as the price of oil has risen," she said…"10-12 years ago conventional shipping was big and containers were very small, now the situation is totally reversed." However, there are signs that things might not be all doom and gloom as far as conventional shipping is concerned. Ole Schack Petersen, Global Head of Perishables at Damco, says there is still a place for break bulk reefer shipping. "It all depends on the type of trade you are talking about and whether or not the ship is filled," he explains. "The economy of scale - particularly in relation to seasonal trade - often benefits the reefer vessels, as they can more easily swing in and out of seasons."…He says that the infrastructure in certain countries, for example, Argentina, is also more favourable to reefer vessels. Ole says he thinks there will always be a place for reefer vessels. "I am definitely not a believer in things switching over 100%," he says…John Rowland, Vice President of NYK Cool, certainly thinks there is a chance the tide will turn again. "Over the last few years there has been a concerted effort by some container lines to increase their participation in major reefer routes - especially bananas from Central America to Europe and Russia."Very attractive rates were offered to lure cargo away from the traditional specialised reefer services and this proved quite successful in the beginning. "However, more recently it can be seen that the rates offered by the lines are unsustainable and some major container carriers are making serious attempts to restore their reefer rates. If the rumoured rates increases are implemented it is very likely that there will no longer be cost advantages to container shipping." …"With perhaps a more level playing field," John concludes, "we may see the operators of specialised reefers clawing back some of the cargoes and trade lost to the container lines."
[Freshplaza.com; 21 September 2012]

US (FL): Orange groves take hit from Hurricane Isaac

Hurricane Isaac's wind and water will put a dent in this year's citrus crop…In Terrebonne and Lafourche, Isaac's howling winds caused trees to drop their fruit and also caused damage to some trees, said Barton Joffrion, an extension agent with the LSU AgCenter. Trees were blown over, and some were left in standing water for days because of the rain…According to a report from the LSU AgCenter prepared by Guidry, about 532 of the state's more than 800 acres of orange groves, about 64 percent, were impacted by Isaac. Damage tallied so far could reach $2.1 million, a 39 percent loss in sales. The state's citrus industry brings in about $5.4 million annually, according to the report.
[www.dailycomet.com; 26 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
YOUR LEVY WORKING FOR YOU – GROWER LEVIES ARE USED TO FUND THE ACTIVITIES OF CGA