GLOBAL CITRUS SCAN (5)

John Edmonds (22 February 2013) Citrus Growers Association (CGA)

Spain: Survey of orange market

At the moment there is a large supply of Spanish Salustiana's resulting in low prices of 7.50 to 10 Euro. Competition from Egypt, which comes to the market with a large harvest, with selling prices of between 6.50 and 7.50 Euro depending on the quality. Morocco this year has a harvest of Valencia Late, which is only 50 to 60 percent of the level of the last few years… The transport from Southern Spain costs 2,750 to 3,000 Euro per vehicle. Transport by sea from Egypt costs about 1,800 dollars each container. With that the logistic expenses are about 60/65% of those of their Spanish colleagues and the Egyptian oranges are a lot cheaper in the Netherlands when arriving…The Salustiana's are followed by the Valencia Late in Spain…The harvest in Spain this year is about as big as last year. Only the assortment of sizes is a lot smaller this year. There are far more sizes 5-7 on the market. Importers speak of good quality juicing oranges…Often the Turkish oranges remain in their own country or are exported to Russia. Russia is becoming a bigger client of European citrus all the time. Especially the Turkish and Greek oranges go in great quantities to Russia, which works on the basis of fixed price arrangements. Greece has a good harvest this year, but Russia took most of this. Also Morocco exports a lot of citrus to Russia, but because of the strong local market Morocco expects to keep a lot of oranges in its own country this year. Also the Middle East, where there are more people to be fed than in Western Europe, is interested in becoming a client.
[www.freshplaza.com; 20 February 2013]

AU: Queensland floods create gap in lemon market

Lemon prices in the Northern Territory have more risen 100% after the recent Queensland floods. The floods left a gap in the market, with demand rising and pushing up prices. Brett Jackson, marketing manager for Seven Fields, says the prices are the best he's seen. "The floods in Queensland have meant there isn't any fruit around and the import season from the United States has been winding up as well, so fruit has been very, very short and hence very, very expensive."
[abc.net.au; 20 February 2013]

US: Cold and flu outbreak sees orange juice sales rise

It seems that Americans are turning to orange juice for increased Vitamin C as they struggle with the worst cold and flu season the US has known for years. Sales have increased year on year, for the first time in two years. During the four weeks that ended January 19th sales rose 5.5% by volume and 7.4% by revenue. Unusually for orange juice, which traditionally sees decline in sales matching increases in price, there were more purchases despite a 1.8% rise in cost. It is speculated that a rise in cold and flu cases is behind the increased sales, with people looking to the restorative effects of Vitamin C, commonly associated with citrus. The increased purchasing of orange juice seems to be particularly related to the older generations, who are more vulnerable to cold viruses. The elderly account for over 20% of total orange juice sales.
[money.msn.com; 18 February 2013]

Brazil terminates U.S. dispute over orange juice rates

The Brazilian government has announced it will end its case against the U.S. over surcharges on its orange juice exports, after the North American country decided to take recommendations from the World Trade Organization (WTO). “Brazil and the United States notified the Dispute Settlement Body of the WTO on Feb. 14, putting an end to the dispute over orange juice that opened in 2009,” the Brazilian Foreign Ministry said in a statement published by EFE. The U.S. agreed to suspend surcharges and return tariffs that were irregularly collected from exporters since March 2011, which EFE reported as a “Brazilian victory”. The story reported Brazil had questioned the practice of “zeroing” that the U.S. allegedly used to inflate minimum prices for which special tariffs would apply. “In February 2012, pursuant to a decision by a WTO panel in favor of Brazil, the United States adopted new legislation and abandoned the practice of zeroing which will never be used in process reviews against unfair trade post April 16, 2012.”
[www.freshfruitportal.com; 20 February 2013]

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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