# GLOBAL CITRUS SCAN (8)

John Edmonds (14 March 2014) Citrus Growers Association (CGA)

**New Cape Town fruit train will slash days from overall transit time to Europe**

A new train service between South Africa's north-east growing region and Cape Town, on the south-west coast, looks set to give the country's citrus logistics industry a welcome boost. Delegates at Cool Logistics Africa heard last week that from mid-May a weekly fruit train will run between Tzaneen, north-east of Pretoria, to Cape Town. The route bypasses the congested south-east port of Durban and slashes days from the overall transit time to Europe. The service, to be operated by the state-owned railway company, Transnet, is a joint enterprise between Dole SA, Unifrutti and Zest. Citrus fruit forms the bulk of shipments from South Africa between May and September, after which Spanish produce begins to fill European supermarket shelves – although a cloud hangs over the 2014 South African citrus season. A recent EU report on citrus blackspot in the country could lead to the extension into 2014 of a late-2013 European ban on South African citrus. Shippers and logistics providers believe, however, that EU decision-makers will not want to embrace measures so draconian that European retailers could run out of citrus stock during the northern hemisphere summer. The new rail service certainly points to optimism at the South African end of the trade, and represents a significant reduction in transit time to Europe. Excluding loading and yard times, the rail transit time will be 44 hours, as revealed at Cool Logistics Africa last week by Wiseman Zazi Madinane from Transnet Freight Rail. Ships en route to Europe, meanwhile, tend to start in Durban with stopovers in Coegha and Port Elizabeth before calling at Cape Town. The sailing time from Durban to Europe is 23 days, whereas cargo loaded at Cape Town takes only 18 days to reach northern markets. Andy Connell of Dole South Africa said there were initial difficulties convincing Transnet to re-introduce a perishable rail connection to Cape Town. Established fruit train services to Durban will also continue. The 1,650km Cape Town service, Capcor, will be more expensive than the 650km Natcor route to Durban, but Transnet said this was less to do with the longer physical distance and more to do with operational challenges and economics. The route down to Durban involves a gentle slope, whereas the route to Cape Town requires several locomotive changes and involves many more gradient changes, which add cost. In addition, Transnet is likely to deploy its newest diesel-electric locomotives on the oversubscribed Durban route. The higher routing cost via Cape Town will therefore need to be absorbed by users, hence the need for Dole to team up with as many shippers as possible. Mr Connell explained that shipping companies would derive significant positioning advantages from the new intermodal connection at Cape Town, especially given that port congestion in Durban was only likely to increase as quayside construction work got under way. Two shipping lines, Maersk and MSC, are believed by industry insiders to have taken a positive view of the new Cape Town train. *[thecoolstar.com; 12 March 2014]*

**Moroccan citrus losing ground to Egypt, Turkey and South Africa**

Moroccan citrus, for years a symbol of Morocco's exporting power, keeps losing ground against competitors from countries like Egypt, Turkey or South Africa. The newspaper L'Economiste illustrated the issue last Friday with concrete figures. While Morocco's citrus production volumes (especially oranges and mandarins) have almost doubled in the past five years, reaching 2.2 million tonnes, the percentage devoted to exports has dropped from 40% to 25% during the same period. Competition has been toughest in the EU market. Orange exports (half of which go to these countries) have dropped by 9% between 2009 and 2012, while mandarin and clementine sales have fallen by around 26%. Exporters are increasingly more oriented towards the Russian market, where 61% of their mandarins and clementines and 32% of their oranges were shipped in 2013, but the volatility of Russia's rouble foreshadows significant drops this year. Additionally, Moroccan citrus are not available in markets such as the Persian Gulf countries, where they prefer Turkish and Egyptian fruit; less vulnerable to climatic seasonality issues. *[valenciafruits.com; 12 March 2014]*

**Florida grapefruit suffers worst non-hurricane decline on record**

Official estimates for the Florida citrus crop have been readjusted downward for all major categories, except for Valencia oranges and tangelos. The new data released by the United States Department of Agriculture (USDA) has overall Florida orange volume down by 1 million boxes compared to February's forecast. The new numbers place the southern state's orange crop at 114 million boxes, down 15% from last year's production. The total includes 61 million boxes of Valencia oranges, as estimated in February, and 53 million boxes of non-Valencia oranges, down by 1 million. National Valencia orange estimates rose slightly to to 73.4 million boxes, up from 72.8 million. The increase comes as a result of an upward adjustment of 500,000 additional boxes of the fruit from the Californian crop. The total national orange estimated dropped from 170.3 million boxes to 169.8 million. Other states included in the data are California and Texas. For grapefruit, the Florida estimate also dropped by 1 million boxes, down to 16 million. The drop was found to be the greatest for both white and colored grapefruit for any non-hurricane season. White grapefruit sizes were recorded near minimum and colored grapefruit sizes were found to be at their smallest since the 1968-69 season. California and Texas grapefruit estimates stayed the same as previously estimated, at 4 million and 5.4 million boxes, respectively. Overall tangerine estimates were lowered from 16.9 million boxes to 16.65 million. Tangelos were the only Florida citrus category to experience an increase, up 100,000 boxes to 900,000. *[freshfruitportal.com; 13 March 2014]*

**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**