GLOBAL CITRUS SCAN (24)

John Edmonds (4 July 2014) Citrus Growers Association (CGA)

U.S. Lemons could top $50 a box

Soaring lemon markets could top $50 a box soon. "Everybody continues to be sold out at very high prices," Dave Brocksmith, citrus manager for Vero Beach, Fla.-based Seald Sweet International, said July 1. "The only source is California, and pricing continues to go up and up. It could be north of $50 in the next few weeks." Chilean shipments are off this season due to frost, and Mexico wasn't expected to ship until late July, about on time, said Paul Story, director of grower services for Exeter-based California Citrus Mutual. "Ventura County is the only supplier now, and they're approaching being three-quarters through," Story said. "Prices continue to go up, and I think they'll continue bumping up a little bit." On July 2, the U.S. Department of Agriculture reported prices of $40.80-44.90 for 7/10 bushel cartons of 1st grade lemons 75s from California, up from $23.25-25.80 last year at the same time. The high markets are a combination of low supplies and strong demand, Story said. "We've had extremely good demand, including excellent export demand. Right now the California guys can't supply the export demand." As other California growing regions and Mexico come into production, markets will come down, but as of early July that wasn't expected anytime soon, Brocksmith said.
[www.thepacker.com; 2 July 2014]

Egypt: Cost efficiency gives Egypt an edge in Chinese orange market

Egypt's Mohamed Eldosouky discusses competition with South African oranges in China, and plans to open up the market to new products. As the only Egyptian fruit product permitted into China at the moment, the country's orange venture in the Chinese market now faces fierce resistance from established local and South African players. At www.freshfruitportal.com, we speak with Mohamed Eldosouky, EGCT president for agricultural products – the only African representative with a stand at this year's iFresh Shanghai Conference...The season spans from November-December through to February-March, which means the fruit goes head-to-head with local Chinese competitors. Generally speaking, Egyptian oranges are larger than Chinese oranges in size as well. When asked about Egyptian oranges' competitive advantages over South African product, Eldosouky highlights the relative geographical proximity of Egypt to China, as well as cost efficiency. "Egyptian oranges list lower prices than their South African competitors, partially because we are closer to China in terms of distance, which not only lowers the transportation cost but also guarantees better freshness upon arrival in China.""At present, our company's oranges are sold exclusively through Walmart, but we are reaching out to more distributors and retailers..
[www.freshfruitportal.com; 30 June 2014]

Drastic fall for exports of Argentine mandarins, oranges

The Argentine citrus sector is facing tough times at the moment, and weather is not the only factor for growers who have witnessed significant drops in export volumes for oranges and mandarins. In an interview with www.freshfruitportal.com, Northeast Argentine Citrus Exporters' Chamber (CECNEA) executive director Mariano Caprarulo discussed the situation in greater depth. Caprarulo said the country's mandarin sector was looking at a fall in exports of 18% this season, while for oranges the drop was close to 100%. The executive cited a range of causes behind the drop, including exchange rate issues, high tax pressures, and increased labor and input costs. He said this had left growers with minimal profitability levels for many varieties, along with difficult competitive conditions in terms of tariff rates in destination markets. As an example, he mentioned Argentina had to pay a tariff of 16% to export its mandarins to Europe...He said the expected export volume this year was worse still when considering it was compared to 2013, which was not a very good year either after suffering from the effects of frost..."We have made a strategic plan and we need the support of the state so that our regional economy so that tax rebates are provided, along with incentive policies for formal intensive labor activities, such as for citrus exports. "Within what is needed to overcome the crisis it is imperative to have lines of credit at international rates and periods. "We need Brazil and the U.S. urgently. It would change the situation for us a lot. Uruguay, with the same phytosanitary status, exports to both markets that demand mandarins, which is our strength. Exporting to Brazil is convenient via land freight and good prices, and the U.S. for its high mandarin prices," he added.
[www.freshfruitportal.com; 2July]

Russian problems prompt new outlook for Moroccan citrus

One of Morocco's key citrus industry players has taken a financial battering from a disappointing export season in Russia, previously one of the most profitable markets for the sector. In a conversation with www.freshfruitportal, a representative of grower-exporter Delassus has described the Russian market as 'disastrous this year'. Sales and marketing director, Fatiha Charrat, says the 'worst season ever' has prompted the company to explore new markets and diversify its citrus varieties in a bid to secure alternative lucrative destinations other than Russia, where some companies have not yet settled financial agreements with the exporter. "Russia is our second main market where we sell around 35% to 40% of our soft citrus. Customers did not yet finish their payments, but we are quite confident they will," she says. "Many growers have been badly affected and help from the government is required." ...In the wake of the financial losses incurred this year, Delassus is taking stock and adopting a game plan to source new varieties of citrus and supply other European markets. "New markets for Morocco are to be opened in Poland, the Middle East and Africa," Charrat says. "Delassus is planning to introduce new varieties of orange and late mandarins. We need to grow nice Navels and Valencias for the local market and for export." "We are also looking for late mandarins to extend our season and finally we are talking to ClemenGold about the opportunity of using this brand for some of our customers."
[Freshfruitportal.com; 1 July 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
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