GLOBAL CITRUS SCAN (25)

John Edmonds (11 July 2014) Citrus Growers Association (CGA)

South Africa: "Phenomenal" season for RSA lemons in China

South African lemon exports to China have tripled this year due to high demand, while grapefruit exports see low returns While this season's exports of South African grapefruit to China have flooded the market, a 300 per cent increase in lemon exports has been met with huge demand."We're seeing a phenomenal season for South African lemons in China," Jason Bosch from Shanghai-based fruit importer Origin Direct Asia told Asiafruit. Bosch said lemon exports to China have risen 300 per cent compared to previous years, but high levels of demand were keeping prices up. Promotions on the health benefits of lemons in China are also driving up demand and prices for the fruit, Bosch added."China recently began publishing information on the health properties of lemons, and we're seeing a rise in people consuming lemons in things like lemonade, and slices of lemon in hot water – the health kick – and it's driving up prices of lemons."One wrong move, however, and Bosch said the lemon market could turn sour. "Suppliers are pushing up the prices, but if growers mess up on just one box with size or quality, we could see the market turn."Bosch said that a relative lack of competition from other citrus exporters has left the South Africa lemons reigning king in China. South African grapefruit floods market. Conversely, the market for South African grapefruit has been hit by oversupply. In light of the citrus black spot-led ban on South African citrus exports to Europe, growers are redirecting large quantities to China. "South African grapefruit have overloaded China with about 300 per cent more grapefruit on the market – leading the market to almost fail," said Bosch. "There's only been stability in the last two weeks."Bosch said that slow movement in stock on early shipments saw prices drop drastically, only stabilising in the last few weeks
[www.fruitnet.com; 4 July 2014]

Spanish lemon exports up 7%, set new record

The Spanish lemon season is about to end, although there will still be produce available in the market for about two more weeks, with a clear dominance over other producers. Argentina's delay and 50% drop in production volumes has helped push Spanish Verna lemon prices up, almost to record levels. Similarly, the decrease in South African citrus exports to the European Union as a result of the stricter phytosanitary controls has also had a clear impact, as this had led them to take their chances in Russia and Asia...Production volumes have exceeded initial estimations and have reached approximately 970,000 tonnes, of which about 700,000 tonnes correspond to Fino lemons and some 270,000 tonnes to Verna lemons. With interesting and profitable average prices for all parts of the chain throughout the season, especially for the growers, lemon exports have increased by around 7% according to data collected until 31 May; around 560,000 tonnes. "This is a new record," says the director of AILIMPO. In the EU, which receives 90% of all Spanish lemon exports, the destinations where shipments have increased the most are the UK, with a 25% growth; France, with 16%; Germany, with 9% and Italy with a 13% increase. These four destinations account for over 50% of all exports within the EU. According to José Antonio García, "the European Union will continue to be the main market for Spanish lemons." The development of lemon growing in Turkey has been quite significant, with a permanent growth in recent years. "Although it is very difficult to talk about actual figures in Turkey due to the lack of production surveys, this campaign we have observed that, unlike last season, they have suffered no losses in production," explains José Antonio. "Turkish lemons are one of the biggest threats for Spanish lemons due to the difference in production costs and especially to the covert export subsidies granted by their government of around $ 100 per tonne," he continues. Nevertheless, Turkish lemons are mainly shipped to the Middle East, Russia and Ukraine, with a very small percentage going to the European market where Spain remains the largest supplier. "For this reason, the effects caused on the European market are rather psychological, pushing prices down irrationally, because Turkey's lemons cannot compete with Spain's in terms of volumes, organoleptic quality, plant health and food safety," he concludes.
[Freshplaza.com; 4 July 2014]

Peruvian mandarin production on the up amid solid prices

Peruvian mandarin production is set to shoot up by 8.5% this year and will likely continue to grow thanks to good prices, according to consultancy group Maximixe...total production would increase to 340,300 metric tons (MT), with much of the growth coming from the Lima and Ica regions...Exports of all mandarin varieties will also increase by 21.6% this year, reaching US$107 million in revenue. The rise is said to be driven by growing demand in the U.S., the Netherlands and the U.K. for the good quality Peruvian fruit quality.
[Freshfruitportal.com; 11 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
YOUR LEVY WORKING FOR YOU – GROWER LEVIES ARE USED TO FUND THE ACTIVITIES OF CGA