GLOBAL CITRUS SCAN (29)

John Edmonds (8 August 2014) Citrus Growers Association (CGA)

Russian importers need to look for other sources

Today Russia announced it will ban all fruit and vegetables from the United States, the European Union, Australia, Canada and Norway for one year. This ban is a reaction on the sanctions imposed on Russia by these countries.

Now the question is what will be the effects on all parties? Larissa Khachikyan from Russian importer Friend Fruits said they are hoping it will be only for a short time. “We now have to look for imports from South Africa, Latin America and China.” The difficulties to source for example apples out of China, is that they have different products. “We will stay in contact with our good relations in Western Europe and hope it will be solved very soon.” According to IHS, Russia is the largest export market for fruit and vegetables from the EU, at €2billion a year. Belgium exported last year €490 million in food exports, primarily fruit, to Russia. The Netherlands export approximately €600 million a year to Russia.

Russia is a big market for U.S. specialty crops. In 2013, Russia imported $138 million in almonds, $31 million in pistachios, $13 million in fresh apples, $12 million in pears and $2.7 million in grapes, reported the Packer. The total amount of Russian food imports are $1.6 billion out of the United States. China, South Africa, Serbia, Azerbeijan, Turkey and Latin American countries have to fill the gaps in the local market in Russia. Whether consumer prices in Russia will go up is something that only time will tell, but Medvedev warned against possible attempts to use the situation to drive up prices.

[Freshplaza.com; 8 August 2014]

Spain: Valencia growers had held “great expectations” for Russian market

The Valencian Farmers Association (AVA-ASAJA) has called for support from Spanish and EU authorities to help them find new markets, with expectations the closure of the Russian market will cost them €140 million (US$187 million). The association highlighted that exports from Valencia to Russia had doubled over the past five years, reaching €138 million (US$184 million) in 2012, due to the country’s rising middle class and reduced tariffs. It said Russia’s accession to the World Trade Organization in January, 2012, meant tariffs were reduced from 13.2% to 10.8% on average. “Valencian agriculture will be one of the most affected because of its eminent exporter condition and for its commercial leadership in the citrus and persimmon sectors,” AVA-ASAJA president Cristóbal Aguado said in a release. “This resolution is a further blow to Valencian farmers in a dark year marked by low prices, drought and hail storms. “While Russia follows behind the European Union and the United States, it is still an important market where the Valencian sector had held great expectations.” In light of these facts, the group called on authorities to take urgent measures to help foment food exports to other destination markets. “They can close the door for political reasons, totally unrelated to the quality and competitiveness of our foods, in the same way up until now that other foreign countries have placed all kinds of obstacles upon introducing our fruits and vegetables,” Aguado said.

[www.freshfruitportal.com; 7 August 2014]

China opens business California citrus

This past week the industry received verbal notice, which was confirmed in writing on Monday; that the Chinese market is now open for California citrus. “It has been over 14 months since we had official access to one our larger export markets,” reports Joel Nelsen, President of California Citrus Mutual. The industry must adhere to strict cultural practices, document the activity and fruit must be inspected prior to leaving shipping point. “The credit for this final agreement must go to USDA/APHIS and their continued efforts to reach a mutually satisfactory goal,” Nelsen continues. “Obviously industry members urged a strong response after the apparent agreement last November fell through buy actually USAD and the APHIS team needed little nudging. They recognized the importance of the market and they were steadfast in support of our industry.” The Chinese market is one of the industry’s largest export markets and is growing. Annually 4-5 million cartons are shipped and the number has been increasing with demand growing. Korea and Canada continue to lead in terms of cartons received but China is gaining on both as an export destination. The primary varieties shipped are navel oranges, lemons and Valencia oranges.

[californiaagtoday.com; 6 August 2014]

Queensland eyes Thai market

Thailand will again be a focus for marketing within the Queensland mandarin industry this year. Exports to the South East Asian nation began gathering serious momentum last season, thanks to a pointed promotional programme, coordinated by the Queensland Government through its Global Markets Initiative programme (GMI). The programme proved so successful that sales volumes rose by close to 80 per cent in some stores where promotions were present. While the GMI was wound back in June, a group of dedicated growers and exports have moved to build on the success of the programme, continuing to fund and coordinate marking activity in Thailand with the support of Trade and Investment Queensland. “This year’s Thailand promotional programme will run from the beginning of August right through until September, with major promotions targeted just prior to the Moon festival (mid-August),” said Nandini Bose of Trade and Investment Queensland.“It is an evolving and exciting programme, that proves how a horticultural group with a common goal can drive demand for a product in international markets.”...Similar to last year, in-store tastings and point-of-sale materials will form an integral part of the promotional push. Additional materials such as store brochures, magazines and banners have also been developed, and will be distributed through stores and electronically. “Through Tops, our promotional message will be shared via SMS to a membership base of 6.9m consumers,” Bose explained. “We will also deliver 20,000 magazines directly to consumers’ homes, while another 2m consumers will receive it via email.” Bose said the programme will be expanded beyond Bangkok, and into second-tier cities such as Chiang Mai and possibly Phuket. The benefits could also extend beyond the Thai border. “We plan to increase the programme’s reach in Thailand’s retail and wholesale markets, and also aim to replicate this model in other Asian markets.”

[Fruitnet.com; 1 August 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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