GLOBAL CITRUS SCAN (33)

John Edmonds (5 September 2014) Citrus Growers Association (CGA)

Uruguay needs resources to renew 50% of citrus plant varieties

Carlos Fraschini, president of the Union of Uruguayan Producers and Exporters of Fruits (Upefruy) said on Saturday that they had to find a way to get the economic resources to renew 50% of their citrus crops...Fraschini said that the shipments of Late Valencia orange to the U.S. had passed from only two containers last year, once they opened the American market, to two hundred containers so far in this citrus harvest. He then added that their "greatest opportunity is to place the fruit in the U.S." The businessman stated that, "the export sector was in crisis in 2008 and Uruguay depended on the European Union, as they placed 70% of their exports there. The high costs of production and export affected competitiveness and our high debt restricted investment."...At the beginning of his speech, Fraschini said the citrus industry occupied 17,000 hectares and creates 17,000 jobs, 75% of which are seasonal... *[www.freshplaza.com; 2 September 2014]*

U.S.: industry 'surprised' at slow Navel season, says Capespan

Many people in the citrus industry were surprised by a relatively slow Navel orange season in the U.S. and Canada this year, which came about both due to higher volumes than anticipated following the Californian freeze and excellent Clementine marketing programs, according to Capespan North America. It was estimated that freezing temperatures in California in early December last year wiped out on average 30% of the state's citrus crop. Capespan North American president and CEO Mark Greenberg told www.freshfruitportal.com the actual damage to Navels wasn't as severe as originally thought. "They had a pretty substantial freeze and there had been this anticipation that the California Navel shipments would not extend too deep into June, or certainly not get into July as they often do," Greenberg said. "But apparently they did not lose as much fruit as they thought they had..."So there was this overlap early in the season with Navel oranges from South Africa and Chile, coming into a market that had some not insignificant carry-over of California volumes, which I think dampened the movement." Greenberg said citrus sellers had tried to compensate for the anticipated lower volumes than normal by charging more for the fruit."Understandably, if not justifiably, the growers and packhouses pushed their prices up and slowed down their movement to make the best that they could out of their existing crop," he said. "And so they turned what was thought to be a short crop into, if not a long crop, then a normal crop in terms of how far into summer the fruit extended." The Capespan North America head went on to say easy peelers, which had been more heavily hit by the cold weather than Navels, had performed far better in the U.S. and Canadian markets over the last few months.
"When the imported season opened up, the earliest clementines from Peru, Chile and even South Africa did really quite well, and in fact easy peelers have been a pretty good product," he said. "Right through the summer the prices have been stable. They started quite high but there was no precipitous drop in price. At their lowest point, which was probably two weeks ago, they sat at a fairly good price and now they're starting to inch up a little bit. "So they've been a pretty good item since the last days of May, and will be right through September and into mid-October." One reason easy peelers performed particularly well, was due to sellers' strong marketing strategies, according to Greenberg, which exacerbated the slow pace of Navel sales throughout the season.
"They're branded now by most people. We brand ours as ClemGems, our competitors have other brand names – Cuties, Halos, Darlings. I think the industry – and the Californians can take a lot of credit – has really branded and marketed these easy peelers so well that so much citrus attention is focused on them," he said. "I think to some extent it has been to the detriment of Navel oranges, and as result I think Navel oranges sales have been slower than last year."
Greenberg said the Navel stocks were now starting to clear, and Capespan North America was starting to see its sales picking up on a 'week-on-week basis' moving into September – partly due to the school year starting – adding there was 'no disaster pending'.
He also said North American citrus importers needed to be wary of a possible earlier start than usual to the U.S. 2014 citrus season, and may have to limit the volumes of late varieties they bring into the market. "I think we need to be cognizant in our market of the potential for an early start to the California citrus season," Greenberg said. "That's certainly what the California producers are saying. Not to scare the importers out of the market, but they need to prepare their chain stores properly and they're predicting an early start to their season. So importers like ourselves are going to have to be a bit cautious on the volume of late fruit that we bring in."
[www.freshfruitportal.com; 4 September 2014]

U.S.: South African citrus pilot program lands in Texas

South Africa's Western Cape Citrus Producers Forum (WCCPF) has announced a new addition to its import destinations in the U.S., after seven containers filled with Navel oranges arrived recently at the Port of Houston.South African citrus arrives in Houston. In a release, the WCCPF said another four containers were scheduled to arrive on or around Sept. 9. "We are very excited about this expanded program to the US," said the forum's CEO Suhanra Conradie. "It has been our plan to better meet the need of importers as well as retail stores in the mid- and far west points of the US." As the largest container port on the Gulf Coast and the seventh largest container port in the country, Houston was chosen for its location and state-of-the-art facilities used to inspect the fruit on arrival.
"Houston is an excellent gateway and provides a central location enabling greater efficiencies of time and cost," Conradie said.
"It offers us the capability to serve the market needs of the entire Midwest area from Houston to Chicago, and points west."
Capespan North America and Seald Sweet are the two importers receiving the fruit from the shipments to Houston, with Capespan receiving the majority....The release highlighted South Africa exported around 42,000 metric tons (MT) of citrus to the U.S. per year to the Port of Newark (containers) and the Port of Philadelphia at Gloucester City, NJ. Varieties include Clementines, Navels, Midknight Valencias and Star Ruby Grapefruit. "With the success of the pilot program to Houston, we expect to export more fruit there in 2015," Conradie added.
[www.freshfruitportal.com; 3 September 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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