GLOBAL CITRUS SCAN (35)

John Edmonds (19 September 2014) Citrus Growers Association (CGA)

Citrus Australia bullish on South Korean promise

Australian citrus exporters' tariffs in Korea could be cut in half next season if the a free trade agreement between the two nations is finalized by December, in a deal that also includes a chapter on agricultural cooperation.In a release, Citrus Australia market access manager David Daniels said South Korea was not currently a major destination due to its high tariffs for Australian fruit, but its potential to grow was huge. "With Asian markets under enormous pressure this season, the Korean market would provide a valuable outlet for fruit," Daniels said. "The Korean market would also complement sizes and grades that are not typically well-received in other Asian markets. "Currently Australian oranges are subject to a 50 per cent tariff which not only reduces demand but drives down the price buyers are willing to pay for product. Add to this the fact that we're competing with the tail end of the American season has proved tough." The industry body said the Korea-Australia free trade agreement (KAFTA) would also foster a spirit of cooperation, with the two trading partners expected to benefit from shared technology and knowledge transfer. Citrus Australia said it had developed a strong relationship with citrus growers from Korea's main producing region, Jeju Island. "The Department of Foreign Affairs and Trade (DFAT) was optimistic that an agreement could be reached as early as December. Citrus Australia commends the government for such rapid progress," the release said.

[www.freshfruitportal.com; 16 September 2014]

Spanish lemon growers to benefit from early Southern Hemisphere end

Spain's upcoming lemon season will be characterized by stability, according to the national Lemon and Grapefruit Interprofessional Association (Ailimpio), with growers standing to benefit from an early end of Southern Hemisphere citrus shipments. The organization's final crop estimate for the 2014-15 campaign stands at 970,000 metric tons (MT) – 2.4% lower than last season's record harvest – although rainfall and water availability for irrigation still have an influential role to play...Like last season, fresh production is expected to be absorbed by domestic and export markets, with juices and essential oils dominating the processed sector. The Spanish campaign is expected to begin around two weeks earlier than normal, but October will still see the most significant development of marketing activities and the largest volumes. Fortunately for growers, the citrus season in Argentina, Uruguay and South Africa is also set to finish earlier than normal. However, producers may face heightened competition in Eastern European markets from Turkey, which is also anticipating normal crop volumes and has the added benefit of lower production costs and subsidies given to exporters by the government. Ailimpio said in a release the situation with Russia's agricultural import ban should not affect the majority of the Spanish lemon season, given that exports didn't usually start until March and represented only 3% of total shipping volumes. It added the embargo would likely not influence sales in other markets. The association has also requested lemons be included on the EU's list of produce items to receive financial support, both to serve as a safety net for growers should market problems arise, as well as to prevent price speculation.

[www.freshfruitportal.com; 16 September 2014]

Russia: Lemon prices triple year-on-year

Lemon prices have already tripled in the Russian market compared with the same period of the previous season. Such a sharp increase in prices is connected with lower production in Argentina and South Africa due to unfavorable weather conditions. Furthermore, the lemon export season is coming to an end in those countries. South Africa and Argentina are the main suppliers of lemons to Russia in the period from the beginning of summer to mid-September. Sellers are currently offering lemons at RUB 130-165/kg (USD 3.23-4.10/kg), three times as high as in the same period of the previous season. At present, the Russian citrus market is characterized by positive price performance thanks to a decrease in imports. Market analysts expect the situation to change by the end of September, once the Turkish lemon import season begins. Turkey was the leader in lemon exports to Russia with the share of 62% in Russia's total imports in the previous season. South Africa and Argentina accounted for 12% and 8%, respectively.

[fruit-inform.com; 18 September 2014]

Morocco to increase its citrus exports to Russia

Moroccan grower associations are considering the possibility of filling the gap left by European products in the Russian market as a result of the veto imposed by the latter. The value of agricultural and food exports from the EU to Russia was estimated at about 11 billion Euro. Moroccan growers said that the sanctions imposed by Russia on the European Union are a "godsend" presented to the Kingdom of Morocco, as well as an opportunity to increase the volume of Moroccan agricultural exports to Russia, which were estimated to represent about 15% of the country's total exports last year. Russia already receives 50% of Morocco's citrus exports; a figure which the country's growers aim to increase this year. A meeting is expected to take place in Rabat between the Moroccan and Russian Ministers of Agriculture on 15 September in order to develop a strategy for major trade cooperation between both countries.

[www.freshplaza.com; 10 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
YOUR LEVY WORKING FOR YOU – GROWER LEVIES ARE USED TO FUND THE ACTIVITIES OF CGA