GLOBAL CITRUS SCAN (36)

John Edmonds (26 September 2014) Citrus Growers Association (CGA)

"Difficult to organise promotions with more expensive fruit"

The fruit and vegetable market is developing differently than in previous years in multiple ways. This was said by Eddy Kreukniet of Exsa Europe. "The crisis has multiple indirect consequences. Exsa Europe has never sold directly to Russia, but has through the well known exporters. There is still the possibility to re-export produce form outside of the boycotted countries, but your paperwork has to be in order."...Eddy speaks of a very varied citrus season. "Grape fruit and mandarins were under heavy pressure, but oranges haven't really been in trouble. Now we have to wait and see how the end of the season will go, but so far it's a good orange season. But the Black Spot measures have had a lot of impact on the season. "Other markets, like Asia and Russia were hugely influenced by this. It was a very difficult season outside of Europe. Around 3 million boxes of fruit less were sent to Europe compared to last season, around 15-20% of the total." He expects a good overlap to the Spanish season. "The hand oranges from South Africa are ending soon and Spain will be on the market around week 42/43. The first Spanish Salustiana's won't be here before the end of November/ beginning of December, so the juicing orange season is also flowing nicely. Grapefruit has now dried up completely and the first Israeli grapefruit is arriving on an empty market."
[www.freshplaza.com; 25 September 2014]

Spain: AVA-ASAJA puts price tag on hail damage

Hailstorms between May and September have €52.5 million (US$66.9 million) worth of damages on Valencia's fruit industry, with a grower group claiming the inclement weather has covered 40,000 hectares of farmland. Estimates from the Valencian Farmers Association (AVA-ASAJA) show citrus growers have been the worst hit with losses of €29.5 million (US$37.6 million), across a surface area of 15,000 hectares....The worst storms took place in late May, mid-June, early August, at the start of September and last week.
[www.freshfruitportal.com; 26 September 2014]

Argentina: Oranges from Jujuy reach the Chilean market

Argentina materialized the first export of oranges to the Republic of Chile, through the Cristo Redentor International Pass, thanks to the agreement reached by SENASA and SAG, which took three years of negotiations. The fruit produced in Jujuy has as its final destination Santiago de Chile and received cold treatment at source, in compliance with the phytosanitary import requirements agreed between both countries. It's worth noting that, as the specialized portal Infocampo stated, this is the first time that Argentina exports citrus fruit under this system. An audit conducted between June 22 and 27, in which the SAG assessed the places of production, packing sheds and the treatment centres, sealed the agreement. In order to continue the expansion of the Chilean market for Argentine fruit, SENASA is negotiating with SAG the entry of Argentine lime into the neighbouring country. During the first six months of the year, SENASA certified more than 29,000 tons of oranges for export to different markets, such as the Netherlands, Paraguay, Spain and Italy, among others.
[jujuyaldia.com ; 26 September 2014]

Brazil opens market for Chilean citrus

Chilean citrus exporters will now have a handy outlet if Northern Hemisphere markets get swamped with fruit in the future, after Brazil announced it would allow imports of the country's oranges, lemons and mandarins...Fruit will be inspected on arrival, and if any quarantine pest is found the Brazilian authorities will notify SAG and have the right to suspend imports until a revision of the pest risk analysis is made. Brazil is the world's largest orange producer but the majority of production is used by the juice industry. Chile exported 45,342MT of oranges in the season to August 15, putting it ahead of 2013 for the same period. The fruit was worth US$45.3 million. Last year, Chile shipped 69,979MT worth of oranges with a value of US$55.4 million.
[www.freshfruitportal.com; 24 September 2014]

U.S. lemon lovers tasting bitter price shock from drought

A prolonged drought in California, which grew 91 percent of U.S. lemons this year, contributed to a surge in costs. Wholesale prices almost doubled from a year earlier, and retail lemons are up 36 percent to $2.327 a pound in August, the highest since the Bureau of Labor Statistics began tracking them in 1980..The crop also was hit by a freeze beginning in December that damaged crops in the San Joaquin Valley, causing $24 million in lost revenue..The growing popularity of lemons used by consumers, restaurants and beverage makers has boosted demand to an all-time high, according to Sunkist Growers, a marketing cooperative that sells fresh fruit from thousands of California and Arizona citrus growers. Lemon-flavoured ingredients on food-service menus climbed about 11 percent between the second quarters of 2011 and 2014, as restaurants used more in salad dressings, butters and sauces, according to Mintel Group Ltd.'s Menu Insights database. That's creating a higher floor for prices, said Limoneira's Edwards. The company, which has been in business since 1893, plans to more than triple annual lemon production to 10 million cartons within eight years, he said."As production stabilizes and comes back into norm, we're very, very pleased in that we're not seeing our pricing fall as dramatically as we once thought it would," Edwards said. "We continue to be very, very bullish on the future consumption of lemons.
[bloomberg.com; 26 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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