GLOBAL CITRUS SCAN (8)

John Edmonds (27 March 2015) Citrus Growers Association (CGA)

95% of Argentinian lemons affected by heavy rainfall

Heavy rainfall in the north of Argentina since the start of the year has complicated the harvesting procedures required for the start of the new 2015 lemon season. This area represents 95% of Argentina's lemon production and is where ALL LEMON, the quality seal for exported lemons from Argentina, carries out its inspection work...Although the lemon groves in Tucumán have recovered from 2014, they have still not returned to what would be considered to be normal production levels. Furthermore, commitments have been made to processing contractors that must be upheld. "This season we shall have larger volumes of lemons compared with 2014, which is a positive step forwards as it puts us in a better position to meet the demand for our product," explains Romain Corneille, president of ALL LEMON. "With regards to the crop itself, the heavy rains that we have experienced blocked the entrances to some of our farms and destroyed bridges throughout the region, causing obstructions to many roads and routes, in addition to causing rivers to break their banks...The current world economy is also having an impact on the lemon season in Argentina this year. Russia, one of Argentina's main export markets, is experiencing an abrupt devaluation of its currency in relation to the US dollar. "At the same time, in Argentina there is a marked contrast between the stability of the value of the dollar and the continual and systematic increases in production costs as a result of rising inflation and a situation that changes daily which we have to navigate with astuteness, caution, thoroughness and responsibility," states Corneille.
[Freshplaza.com; 25 March 2015]

Argentina: Orange prices plunge, bringing harvest to a halt

In Argentina, the crisis of the orange sector is very clear...Many Valencia oranges that should have been harvested last year are still on the trees... There is huge oversupply, which results in rock-bottom prices just at the start of the season. In northern Entre Rios and south of Corrientes, the harvest of the Okitsu mandarin has just started...The crisis in this important citrus region had been predicted after a severe frost in 2013, which destroyed the production; last year, the supply of oranges and mandarins started to recover, and in 2015 it is expected to increase by another 20%.

In total, Argentina produces some 800,000 tonnes of oranges and 400,000 of mandarins. The domestic market does not absorb these volumes, which means exports are very important. Last year, around 160,000 tonnes of both fruits were shipped overseas, but this year it seems impossible to achieve that again because Argentina is no longer competitive. This is the result of the exchange rate and the devaluations in Russia and the EU...The head of the Citrus Federation of Entre Rios, Dante Grigolatto, says that the export markets demand fruit, but at the moment Argentina can only sell at a loss. For this reason, they demand a subsidy of 3 dollars per box of fruit intended for export in order to boost shipments and tackle the oversupply affecting the domestic market, which is supplied mainly by small producers.
[Freshplaza.com; 26 March 2015]

South Africa: Eastern Cape citrus sector receives funding to boost exports

South Africa's Eastern Cape's citrus industry has welcomed ZAR21 million (US$1.8 million) of funding to boost exports from the Amathole district, website heraldlive.co.za reported. Eastern Cape Rural Development and Agrarian Reform Member of Executive Council, Mlibo Qoboshiyane, assigned the majority of the funding to infrastructure support at the ageing Ripplemead citrus pack house in Peddie, while smallholder citrus growers from the region will receive ZAR4 million (US$330,000)…The department will also reportedly support 120 citrus farmers with production inputs and create an estimated 162 permanent and 1,041 seasonal jobs. Qoboshiyane reportedly said this support would enable Ripplemead to trade directly with the EU, whereas currently the area struggles to access international markets. Citrus Growers' Association (CGA) of Southern Africa transformation manager Lukhanyo Nkombisa said the organization welcomed the vote of confidence in the farmers…
[www.freshfruitportal.com; 11 March 2015]

EU: Dollar huge impact on import supplies and prices

…According to Cédric Geens of importer W. Jonckheere, several examples can be given of imported fruit that has seen its prices increase sharply again this year. "…Within one year, the dollar has risen by 30%, having a huge impact on our market, where prices are sensitive already...In the US in particular, they're saying: 'This is our price, and we're not going to adjust it.' So for them it's fine if Europe doesn't import. The domestic market there is just good."…Grapefruit from Florida is still doing well at Jonckheere. "We are carrying them until May. Prices have increased sharply because of the dollar. Early January, we were still at 16.50 for a 15 kilo box, and now we easily reach 20. Despite the high prices, customers are still prepared to pay. This also has to do with the fact that there's no alternative for grapefruit from Florida."…
[Freshplaza.com; 25 March 2015]

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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