GLOBAL CITRUS SCAN (17)

John Edmonds (5 June 2015) Citrus Growers Association (CGA)

AU: Riverina citrus grading at 70%, attracting $6-8 premium

An exceptional yield, with pack outs of up to 70% top grade quality, compared to an average of 40-50%, has meant that the domestic market for citrus grown in the NSW Riverina area was spoilt for choice during the first six weeks of the season. “The start of the season usually sees a lot of activity in the domestic market,” says Vito Mancini, a grower and Secretary of the Griffith and District Citrus Growers Association. “Due to the abundance of high quality fruit, the local markets kicked off with high volumes placing pressure on pricing. At the farm gate returns are averaging $220-$300 to growers this year." Growers who registered back in January to export to Korea, China and Thailand have fared well, however, with the quality produce delivering good returns to growers. “I have had growers report that the prices have been high due to the high quality. Not everyone is making big money in China because there are a lot of sharks out there, but Australian citrus is definitely attracting a premium of up to $6 or $8 per carton,” says Mr Mancini. The start of the export season a week ago should see returns to growers lift, according to him. For those who can access the right markets, it makes sense to continue to export to Asia as well as to join the push to send Australian product to the US, Mr Mancini says. “There’s a benefit in terms of shipping and logistics. Our close proximity and nett importer status means that freight rates and freshness are at a huge advantage from our Southern Hemisphere competitors." Registrations by growers to send to Korea, China and Thailand this year are up by around 15%, according to him.
[Freshplaza.com; 4 June 2015]

SA citrus exports to EU increase

Johannesburg - South Africa’s citrus exports to the European Union (EU) increased by 9% in value last year despite having been hit by the troublesome citrus black spot fungus (CBS), said EU ambassador to South Africa Roeland van de Geer. EU and South African scientists are still arguing over whether or not CBS could infect European citrus plants, he told journalists. But in the meantime, the exports from South Africa continue, though under strict controls to prevent fruit with the black spot on its skin, entering the EU market. EU officials said South African citrus growers had themselves decided to stop citrus exports to EU near the end of last year’s season…So the volume of exports had dropped slightly but the monetary valued had increased by about 9 percent because of higher prices in Europe…
A team from the EU’s Food and Veterinary Office had recently visited South Africa and concluded that South Africa’s measures complied with EU legislation…Van de Geer said the outcome of the joint South Africa and EU scientific investigation of whether CBS could infect EU citrus plants should hold no risks for South Africa. If the scientists found that there was a risk of infection, exports could continue under the existing control measures. And if they found there was no risk of infection, the measures could be lifted. More than 34% of South Africa’s citrus is exported to the EU and 40% of all citrus consumed in the EU in winter was imported from South Africa…
[iol.co.za; 2 June 2015]

South Africa: Sweetest citrus for years

Sizes for mandarins, and seedless or easy peel citrus have been larger than anticipated for South African exporter Cedar Pack. “I would say one size bigger. We didn’t have a problem with small sizes. That’s continuing with oranges as well, on the navels,” says Piet Smit, Marketing Director for Cedar Pack.
Overall quality, internal and eating quality for citrus has been consistently high. “I don’t think we will repeat it in the future because of weather and conditions. We’ve got very high brixs, the highest I’ve ever seen, and I’ve been involved in farming for 35 years,” Smit adds. It’s been an extended summer with little winter rain up until now, according to him. Picking and harvesting conditions have been very good, and exports are on schedule. The first vessel for exports to the US has been loaded and is gone, with the second due to leave on Monday. In terms of foreign markets and prices, results are mixed. “The US market is for us quite stable, and I am surprised to see that Europe is a good market at the moment for citrus. We’ve done well with our Satsumas and Clementines both in Europe and in the UK,” notes Smit. “Spain has less fruit in storage and northern hemisphere supply has been less.” Northern and Eastern parts of South Africa were a little bit late in the season so a lot of early fruit went to these markets, Smit adds. The Rand and the Euro to Dollar exchange rate is a little down, which changes things Smit says. “The Euro is weakening and the dollar is strengthening. Costs such as fuel are in dollars but when you sell in Europe it is in Euro so normally the exchange rate is €1.20, €1.22 €1.28 sometimes, to the dollar, and now it’s sitting around €1.10 or €1.08, that does not work in our favour.” Russia is another tricky market. “What is also against us is the weak Rouble. Our fruit becomes very expensive to send to Russia. So we’re struggling a little bit with the Russian market.” What is favourable is that the dollar market itself is good, Mr Smiths says. ”Far eastern markets China, Japan, Hong Kong and so on will be higher because of that.” When asked about new markets Mr Smith says that ‘bilateral agreements take time,’ but they are a possibility.
[Freshplaza.com; 2 June 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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