

GLOBAL CITRUS SCAN (20)

John Edmonds (26 June 2015)



Citrus Growers Association (CGA)

South Africa: Lemon exports glide, orange estimates slide

South African Navel orange volume estimates are set to fall further but bigger sizes will be a redeeming factor. In other citrus categories, the country's lemon shipments have gained strong returns despite much higher volume, and the earliest easy peelers faced stiff competition in Europe. These are just a few dynamics underscored by Citrus Growers Association (CGA) of Southern Africa CEO Justin Chadwick in conversation with www.freshfruitportal.com. While South Africa's citrus exports will be down this year, the trend is not entirely across the board and the industry has already witnessed a few significant changes in distribution to destination markets; most notably oranges in the EU up five percentage points to 27% of the total to date, and Russia's share of easy peelers rising four points to 12%...South Africa's easy peeler shipments will be relatively stable this year and returns for the earliest variety have not gone so well. "The first soft citrus are the Satsumas with a volume estimate of 1.8 million cartons, and the feedback is that the returns were not that good because of competition from later mandarins from the Northern Hemisphere," Chadwick said. "That's definitely something that's having an impact on Satsumas. In the Northern Hemisphere as well their finding the same thing with our late mandarins. "For all soft citrus we expect the same sort of volume as last year with 10 million cartons, and 4.6 million cartons have been shipped so far." Easy peeler supply has been dominated by the U.K., receiving 47% of the total volume compared to last year's 41% to week 24. "Russia increased from 8% to 12%, the EU stayed pretty similar from 21% to 20%, Asia 10% to 4%. "From what we've heard in Russia there's a good amount of pull for fruit despite the decline in the ruble and the state of the economy. I think it's because citrus is not a very high value product." For soft citrus' larger cousins, Navel oranges, Chadwick said the volume estimate would be reduced for the second time this season, having initially fallen from 25.1 million cartons to 24.4 million cartons. "It will probably go down further – that's compared to last year's 26 million cartons, so there will be around two million fewer cartons of Navels," he said, mentioning the EU, the U.K. and the Middle East would have a greater proportional share of the total. "Navel oranges really have a very good crop and interestingly enough there's been larger sized fruit than last year, which is directly opposite to the experience we've had with grapefruit," Chadwick said. The brix level and quality are also expected to be high this campaign. Chadwick said 82% of the country's export-oriented grapefruit had now been packed, with a fairly similar distribution to destination markets. However, both Japan and China have each increased their import share by four percentage points, to 25% and 10% respectively. "Remember that the volume is less. Last year we had 10 million cartons shipped up until the end of last week, whereas this year it's at nine million....Regardless of shifts in distribution, he said lemon volumes were up across the board in South Africa's destination markets. "A lot of people are putting lemon in their water or tea, as a condiment in different beverages, and from what I've read there's more of it going into European dishes and fish.

"On the supply side, Argentina has recovered a lot from last year but they're still quite below where they were at their peak in production, so there's a supply gap in the Southern Hemisphere and it seems there is a mismatch between supply and demand." In terms of measures against citrus black spot (CBS), Chadwick was confident there wouldn't be many interceptions of the disease in South African citrus this year by EU authorities. "We've had a very dry summer so there are less spores released in citrus, and therefore the amount of CBS is much lower – that combined with the heightened risk management system should reduce incidence." Chadwick said confusion remained over Indonesia halting import permits for citrus for four months, but it was understood an exception had been made for lemons. "The information we have is that a request was made from the Department of Agriculture to the Department of Trade not to issue import permits for citrus in those months, based on competition with local citrus supply in Indonesia," he said. "Since then we've been given the information that lemons have been excluded, but we're still trying to understand if the limitations on other products will stay in place. "We had different feedback from Jakarta...there's a lot of confusion over there, but according to the import associations they are not being issued permits."

[www.freshfruitportal.com; 25 June 2015]

Argentine citrus production set to improve

While still recovering from frost suffered a few seasons ago, Argentina's citrus production is expected to improve for the 2014-2015 season. Argentina's lemon production for the 2014-2015 season is expected to reach 1.15 million metric tons and orange production for that same period of time is expected to reach 950,000 MT, according to a report by the USDA's Foreign Agricultural Service. Tangerine production is forecast at 450,000 MT. While citrus production is expected to improve over that from the previous season, it's still below normal levels. Plants are still recovering from frost that hit the country during the 2012-2013 season, and it's not expected that they will fully recuperate until the 2015-2016 season. Additionally, excess rain during the summer of 2015 delayed the lemon harvest by about a month, affected quality and reduced pack-out yields from 45 percent to 30 percent. While the production picture is improving in one sense, growers and exporters are still worried about rising production costs. Labor, input, energy and transportation costs are all rising, and the high inflation rate has put the country's exporters at a disadvantage.

[Freshplaza.com; 24 June 2015]

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