GLOBAL CITRUS SCAN (30)

John Edmonds (4 September 2015)

Citrus Growers Association (CGA)

South Africa alone on the market

The USDA calculated that there will be 7.3 percent less volume of oranges on the market this season. The decrease is visible in all production areas with the exception of South Africa, according to the American organisation. The South Africans started their season a few months ago on an almost empty world market. And South Africa is still the only big player. Europe had little stock due to the Spanish season finishing earlier. The season also ended earlier in the United States. A South Africa exporter advises: "Buy the Navels on time, because South Africa has limited volumes." There are hardly any alternatives. Brazil and Uruguay have a limited volume available and Argentina is also hardly exporting any oranges to Europe…Despite the threat of Citrus Black Spot, South Africa continues to ship volumes to Europe comparable to previous years…A number of growers have stopped exporting to Europe. Alternative markets that are mentioned are in the Far East. South Africa is discovering markets like India, Indonesia and China. "There are a lot of growing possibilities. There are growing markets outside of Europe and there are opportunities for South Africa and Peru," according to a South African exporter…The Argentinian trade is in deep water. A trader from a large exporter with a wide assortment illustrates this with figures. Whereas in 2007 around 200,000 pallets were shipped, of which 50% through Rotterdam, there is now much less. A difficult economic situation and the climate are making it difficult for the growers…Argentina had a period with high inflation, which could go up to 25% in a week. Due to this the production costs have risen severely and the exchange rate isn't attractive. "The peso becomes 10% more expensive in dollars every year," says the exporter. The competition with South African is strong and South Africa has the advantage…The Argentinians see new markets in Asia. Indonesia was a good market before quotas were introduced. Now the focus is on China and South East Asia..The Spanish season ended early this year, which gave the South African exporters and advantage. The new season starts at the end of October…Spain expects a decrease of 20 to 25% in production in all regions: Valencia and Andalusia. Especially due to the heat waves and hail storms in recent months, less Navalina, Navelane and Salustiana are expected… The British market is receiving more volume from Peru this year, where the area has increased. The number of Peruvian suppliers has increased, which means the prices on the wholesale markets are lower. The price in the supermarket isn't under pressure due to a low supply from South Africa…The Russian market is difficult due to the economic situation in the country. South African exporters aren't queuing up to export to the Russians. The risk is just too big. A few million boxes have been shipped to Russia, but due to the bad situation and the exchange rate the trade has shrunk considerably. In the United States only the Valencia's are in production. Most of the oranges are imported from Chile and South Africa, as well as smaller volumes from Uruguay and Peru. The South African season in the United States is going well, partially due to the large demand from the retail. The US and California are also ending the season early, which meant the South Africans had an empty market here too. China imports oranges from Australia and South Africa between June and October. From September to June the citrus is imported from the United States and Egypt. During those months there is also domestic production available, worth up to 60 to 70% of the volume on the market according to estimates. A small part of the domestic production is exported, especially to countries in the region; Thailand, Malaysia and Singapore. This year there is less supply from Australia due to an unfavourable exchange rate and it is uncertain how the market will develop…The import season is coming to an end. The volumes are lower and the prices are expected to increase. That trend was also visible for the last two years. In recent weeks the prices have gone down slightly, which means the market isn't following the image of previous seasons. A few Chinese importers are looking into the possibility of importing oranges from Pakistan.
[Freshplaza.com; 31 August 2015]

Peru ups citrus production

Industry body Procitrus estimates Peru will plant 1000 hectares of mandarins and oranges in 2016and 2017.
[ReeferTrends; 24 August 2015]

US: High school student develops test for citrus greening

A researcher working with UC Riverside scientists has developed a simple test designed to detect two of the most virulent bacteria facing today's farmers. The test is so simple it can be performed in the field, as opposed to current practices that require a weeks-long process where samples are sent to distant labs. It also costs about one-fourth as much…What's even more remarkable is that the test's inventor, Saumya Keremane, is just 18. She graduated in June from Riverside's Martin Luther King High School…Her test makes it possible for farmers to test psyllids – tiny flying insects – for huanglongbing, or citrus greening disease…Early detection would allow for the quick removal of infected trees.
[pe.com; 26 August 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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