

GLOBAL CITRUS SCAN (33)

John Edmonds (25 September 2015)

Citrus Growers Association (CGA)

U.S.(CA): Lemon prices expected to drop as desert production increases

Lemon imports from Chile and Mexico are complementing supplies from California, though good demand has made for strong prices. Those prices are likely to come down later this month as production in California's desert regions ramp up. Lemon prices are usually strong in the summer when the central regions supply most of the fruit from the state. Imports from Mexico were short during that period of time, and Chilean imports commanded strong prices because of the added costs associated with imported fruit...Another wrinkle in this year's market is the quality of fruit in the face of California's lingering drought. Growers have reported smaller sizing and some quality issues related to the lack of water available, but if those issues turn out to be significant when harvesting this year's desert crop, then prices could remain higher than expected.

[Freshplaza.com; 24 September 2015]

South African grapefruit prices at historic high

It is still too early for Florida grapefruit, but South African grapefruit is still on the market. There is not much on the import market in Brussels, "This is mainly due to the fact that Belgians have a preference for Florida grapefruit," says Cédric Geens from Jonckheere Import Company. Cédric thinks it is interesting that the South African grapefruit prices are so high, "The season ended on 18 Euro, that is an historic high. You can see that the markets are seriously changing. Europe is no longer South Africa's only customer; South Africa is concentrating more and more on other markets as well."...It has yet to be seen how the season in Florida will start, "The market is unpredictable, but there are always expectations of course. Up to now everything has been looking pretty normal, but there are several factors that will either be to our advantage or disadvantage. The advantage is that the entire South African season was quite expensive and the market will be empty when the Florida grapefruit arrive. This means that we will most likely have a good start to the season. In addition, the price gap between the South African and Florida grapefruit will probably be smaller this year. Usually the South African grapefruit are around 9 or 10 Euro and then the price jumps ten Euro higher when the Florida grapefruit come on the market. This scares a lot of customers. Right now the South African grapefruit are 18 Euro and the Florida grapefruit will start around 20 Euro." Cédric believes the strong US dollar puts them at a disadvantage, "The cost price for the Florida grapefruit will most likely be high for the entire season. We will see how the markets will react to that. I am not too worried about what will happen here in Belgium; the Belgians are big supporters of this high quality grapefruit."...

[Freshplaza.com; 24 September 2015]

Heat wave slashes Spanish citrus crop

A sharp fall in citrus production in the coming season is being hailed by the Spanish government as welcome news for the national industry and the European market as a whole. The drop is due to the prolonged heat wave that engulfed much of the country during the spring and early summer, bringing record temperatures and leaving several dead. At a meeting held last week at the Ministry of Agriculture to analyse the start of the new campaign, representatives from the main producer groups presented the latest crop forecasts showing that early season mandarin varieties including Satsuma, Okitsu and Nules are down by as much as 25 per cent compared to last year. Volumes of early oranges – principally the Navelina variety – are projected to fall by 7-10 per cent. While the record temperatures recorded in the province of Valencia in the spring and early summer affected production of almost all crops to some extent, the impact on citrus has been particularly severe as it coincided with fruit setting...

Overproduction, competition from third countries and stalling consumption have taken their toll on Spain's citrus industry and although exports have risen over the past five years, this has come at the expense of a sharp erosion in prices in most varieties. Although final figures have yet to be released, the 2014/15 crop is believed to have weighed in at around 6.5m tonnes. The bulk of this went for export, with Europe accounting for the lion's share of volumes. Germany, France, the UK and the Netherlands were the four biggest markets last year. Shippers are making inroads into non-EU markets, notably the Middle East, northern Africa, North America and Asia, but overall they still account for a small proportion of overseas sales.

[Fruitnet.com; 22 September 2015]

Spain: Grapefruit harvest down 12% this campaign

Spain expects to harvest 72,000 tonnes of grapefruit, 12% less than last season, when a record production of 81,900 tonnes was achieved, according to data from AILIMPO.

"Last season, all circumstances were ideal to facilitate a maximum yield," said José Antonio García, director of AILIMPO, adding that the acreage devoted to grapefruit production remains generally stable, "although in some areas grapefruit have been replaced by lemons."

[Freshplaza.com; 24 September 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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