GLOBAL CITRUS SCAN (35)

John Edmonds (9 October 2015) Citrus Growers Association (CGA)

South African rail initiative aims for more sustainable fruit transport

Fruit South Africa (FSA) aims to have 10% of exports transported to ports by rail in the years to come, cutting down on both costs and carbon emissions. The shift – mostly focused on citrus, avocados and table grapes – would represent a massive change for an industry that currently moves 99% of the fruit by truck, covering distances that are sometimes more than 1,000km (621mi) per trip. An FSA study estimates the trucks carrying fruit to South Africa's ports travel 480 million km (298 million mi) per year, at a cost of ZAR969 million (US$72 million). This was not always the case. As recently as the mid-2000's up to 90% of the country's citrus exports – and citrus is the country's leading fruit export in volume – were shipped by rail to Durban and Port Elizabeth. But the advent of containerized shipping meant the train wagons previously used were no longer compatible with the new high-packed pallets. In response the Rail Transport Working Group (RTWG) was formed, previously as part of the Fresh Produce Exporters' Forum (FPEF) with its 'Tonnage off Tar' initiative, and has been a part of FSA's portfolio since this year. With support from state-run rail and port group Transnet, the initiative is now seeing its first signs of significant progress….In the 2015 citrus season it is estimated 900 containers from Tzaneen in the northern province of Limpopo to Durban and Cape Town, and the figure is expected to reach 1,500 containers. This compares to just 300 in 2011. "Our key focus is to vastly increase the use of rail to reduce logistics costs, reduce the time the fruit spends in the supply chain and to add value to fruit producers. South Africa; through the joint operations of Transnet, has the ability to be the global leaders in refrigerated container [intermodal] transportation," said Citrus Growers of Southern Africa (CGA) logistics development manager Mitchell Brooke, who is an FSA representative in the working group…

[freshfruitportal.com; 8 October 2015]

What do South African consumers want?

…Most of the citrus sold in South Africa is bagged, ranging from 5-10kg in weight, with the 6kg bag being the most popular. Most consumers demand size and taste when buying citrus, with the appearance of the fruit not having to be class 1. They are understanding more that the rind does not determine the taste. Hannes De Waal, Managing Director at Sundays River Citrus Company, the biggest citrus packer in South Africa, will ship 9m, 15kg cartons this year and 1-1.5m cartons will go to the South African market most of it in bagged format. He explains that South Africa is a very interesting market and while the retailer has a valid point, the top-end consumer plays a very small part in the domestic demand. "The look of the citrus is not the South African consumer's first concern, but if it tastes bad you will certainly hear about it. In Europe the perception is that the best fruit is exported, and indeed the European and North American and even the new Chinese consumer are used to a great looking orange and it is required. In South Africa they are used to taste and a certain level of sugars, around 10-12 brix. The sweeter and fresher the better!" De Waal said that the change in strategy of some retailers to go for higher external specs is interesting, "If you look at the most successful retail chain concept just now in South Africa, Freshmark with Shoprite/Checkers, Massmart and Wholesalers, they predominantly buy the bag loads, they want size and they want taste, they are definitely not after export class fruit. Woolworths is one retailer who has been trying to serve the more 'discerning' customer who buys maybe a punnet or a few loose oranges. They are targeting a specific niche."…The domestic prices are not comparable with the export prices, the citrus industry is very dependent on the huge export market, but developments in South African and the Africa market are very positive and welcome according to De Waal.

[Freshplaza.com; 8 October 2015]

Lemon shortage expected in February

There will be fewer lemons on the market than usual this winter," states Uli Pacheco of the Llombart trade company. "The drought and the extremely hot summer left their mark on the Spanish produce," explains the importer… "Due to the extremely hot and dry summer the supply of the right sizes is very low," explains the expert. "The blossoms on the outer parts of the trees have been affected and partially burned. The expected yield of the varieties Primofiori and Verna will be lower."… "With regard to the fruit size the situation isn't how we want it. That this years' harvest is smaller will be clear in the coming year. In February the low supply will be noticed. However as always the assessment of the situation can change, the weather is unpredictable. For instance if the rainfall increases then the situation will be completely different."…

[Freshplaza.com; 8 October 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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