GLOBAL CITRUS SCAN (40)

John Edmonds (13 November 2015) Citrus Growers Association (CGA)

U.S.: Limoneira closes in on new Chilean acquisitions

U.S.-headquartered citrus group Limoneira Company (NASDAQ: LMNR) is looking to expand its operations in Chile, buying in where some agricultural investors are looking for to exit. In August last year the company made its first investment in foreign operations after buying a stake in a northern Chilean citrus packhouse. Limoneira spent US$1.75 million on a 35% stake in La Serena-based packer Rosales, which sells produce to Asian, European and local markets. The group's CEO Harold Edwards recently told www.freshfruitportal.com the company was 'very close' to announcing new acquisitions in the South American country…Edwards explained many of these recent purchases had been intended mainly to increase profit margins rather than fruit volumes. "Right now our average selling price for a 40-pound carton is US$29-30, and with all investments we've made in supply chain and packing, we put out a 40 pound box today for US$12-13 a carton, so that's massive markets," he said. "If we look at outside growers, where we just represent the growers and market their fruit, we made somewhere between US$1 and $2 a carton."… "We then purchase those acres, and then incorporate them into our integrated supply chain, not at US$2 margin, but at today's US$20 margin."… "We have invested US$75 million worth of capital buying these ranches and making these investments, of which 40% are producing today, while 60% is new orchard replanting, real estate…"So we're not going to flood the market or put more lemons out there, we're just going to try to control more lemons." He also highlighted Limoneira's entire market share was relatively small, with the company only supplying 2 million cartons of the 30 million consumed annually in the U.S…"About 30% of what we produce has gone into export markets…Key markets for Limoneira…include the Philippines, Malaysia, Thailand, Japan, and South Korea..

[freshfruitportal.com; 9 November 2015]

Florida orange production forecast down 24 percent

The USDA has released its November Citrus Forecast for Florida. Production is forecast to be down across the board. The 2015-2016 Florida all orange forecast is 74 million boxes, down 6 million boxes from the initial October forecast. This would mean a 24 percent production decrease compared to last season and the lowest since the 1963-1964 season. Both Valencia and non-Valencia oranges are forecast to have production levels of 37 million boxes. For non-Valencia oranges this would mean a 22 percent production decrease…and for Valencias, production is forecast to be down 25 percent compared to last year…Grapefruit production forecast is lowered by 100,000 boxes from the October forecast to 12.2 million boxes. This is a decrease of 700,000 boxes or 5.4 percent compared to last season…Although the forecast of all tangerine production is unchanged at 1.75 million boxes from the October forecast, it would still mean a 23 percent decrease compared to last season…The forecast tangelo production is 41 percent lower than last season. If realized, this year's production of 400,000 boxes will be the lowest since 1958-1959's production of 300,000 boxes…

[Freshplaza. 11 November 2015]

China: Mandarin volumes down

The new mandarin crop has been harvested and the mandarin season is in full swing...Mr Xu is the director of the Jiangxi Fuzhou Funong Mandarin Cooperative, a cooperative that mainly trades in mandarin. The cooperative is based in Jiangxi Province, a province known for its mandarin production. In the region Nanfeng approximately 70% of farmers grow mandarins. Total production area covers over 47,000 hectares)…"this year's harvest is not as good as last years. Production volumes have come down due to bad weather conditions. After periods of drought there has been a lot of rain rain towards the end of the production season, which has not favoured the growth and storage of the fruit. To prevent the crop to perish, farmers were eager to start selling. That is why the mandarin season kicked off relatively early this year, in late September instead of October"…

[Freshplaza. 11 November 2015]

Kazakhstan MoU to boost Iranian citrus exports

…Kazakhstan is the seventh largest country in the world, and being rich in minerals and abundant crops, Kazakhstan marks a good platform for Iran's agricultural products. Vice-president of Mazandaran's Chamber of Commerce, Amir Miran Amoli, said having a 2.5-million-ton citrus production volume in Mazandaran means "We need to raise the ceiling for export." he said…

[Freshplaza. 9 November 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