GLOBAL CITRUS SCAN (2016_47)

John Edmonds (15 December 2016)

Citrus Growers Association (CGA)

Another blow for South African citrus?

The European Commission is set to propose new measures to regulate Citrus Black Spot and False Codling Moth. This would extend the current measures on CBS and introduce a regulation for the first time on FCM. South Africa, while not the only country to be affected by these possible new regulations, would be severely affected.
Some Southern EC Member States would, in addition to the regulations already in place, like to delete the derogation for citrus fruit processing [juice] with regard to CBS and on the FCM side they want to change the "consignment freedom" approach of the Commission to a mandatory cold sterlisation requirement for citrus fruit across the board. To date, discussion among the Member States (SCOPAFF) are unresolved – there is no majority in favour of either approach – and the Commission will look to make compromises in view of a tentative vote at the January SCOPAFF…Deon Joubert, Special CGA Envoy for Market Access & EU matters, stressed that if the new measures were implemented they would not come into force until the 2018 citrus season…Traditionally the steri treatment has been used for small, long distance markets, such as Japan, and would not be feasible for the short 14 day journey to Europe. The process takes the fruit from 25°C, field temperature, and reduces it to 0.5°C. This is fine for some citrus fruit but not for lemons or the new soft citrus varieties, which would not be able to withstand the treatment. Joubert stresses that there are better ways to deal with it. He also said that not all of the producing areas have the FCM and it would not be wise to spray unnecessarily. He concludes by saying that what the industry has done to reduce the instances of CBS shows South Africa's commitment to comply with the EU regulations.
[www.freshplaza.com; 1 December 2016]

Valencia citrus strike called off

Citrus packhouse workers in Valencia have called off a planned strike after reaching a tentative pay deal with their employers. The announcement was made on Tuesday following talks between the unions and citrus exporters lasting well into the early hours…The walkout, planned for 15-21 December, would have brought packing to a virtual standstill during one of the busiest weeks of the season when approximately 300,000-360,000 tonnes of oranges, mandarins and lemons are packed for the domestic market and for export. The Citrus Management Committee, the association representing Spain's biggest citrus exporters, had warned that the strike would cause industry losses of €200m and be the final nail in the coffin for what is already an abysmal season marred by low market prices and losses running into the millions of euros caused by recent heavy rains.
[www.fruitnet.com/americafruit; 13 December 2016]

"High price not an obstacle for smooth sales of Florida grapefruit"

The sales of Florida grapefruit are currently doing very well. "We currently sell Star Ruby and Ruby Red. Prices are a bit high, but that is not an obstacle for smooth sales," says Frans van der Burg from Total Produce BV. "Volumes are much lower than last year. At the start of the season, hurricane Matthew caused some problems in supply, and it was especially difficult to get large sizes (32, 36). These are still quite pricey."
The current market prices for Star Ruby are between 21 and 30 euro, and for Ruby Red they are between 19 and 28 euro. "It always surprises me that customers absorb the Florida grapefruit this well after the South African season, which has considerably lower prices. On the other hand, cost price is much higher because of the dollar exchange rate, which is now at a value of 1.05-1.06. There have been years when you could buy them for 1.36 dollar." Van der Burg also says there is not much competition from other countries of origin. "Some customers sell them in addition to Turkish and Spanish grapefruit, but we also see customers who come back from that, and who choose the sweet flavour of the Florida grapefruit…According to the importer the export of white grapefruit from Florida has been reduced to a minimum. "Many orchards with white varieties have been cut down and replaced by red varieties, or are used for cattle breeding. The small volume available is sent to Japan at very high prices. It is remarkable that many customers now show interest in white grapefruit, but that happens every time there is limited product. But people lost a lot of money on white grapefruit in the past." Total Produce BV sells grapefruit throughout Europe, but France remains the largest buyer as regards consumption. He feels positive about the remainder of the season. "It is not really a holiday product, but in January people start dieting again, and demand recovers, and there will be promotional actions again as well. The first half of the season is almost over. From January, we will start receiving the second harvest. The fruit will no longer be heated then either, and we continue with that natural grapefruit until April, when the season seamlessly shifts to South Africa again."
[www.freshplaza.com; 14 December 2016]