

Global Citrus Scan (2017_32)

John Edmonds (24 August 2017)



Citrus Growers Association (CGA)

Factors Driving South African Grapefruit Export Growth in Asia

South Africa, a key citrus producer and global exporter, has witnessed its grapefruit exports rise from 9.5 million 15-kilogram cartons in 2006 to an estimated 14.8 million cartons in 2017...Although the exports to China have fluctuated over the last three years, more and more Chinese consumers are becoming accustomed to the bitter-sweet flavour of the grapefruit, with the fruit's wide variety of health benefits also gaining increasing attention. The versatility of red grapefruit has been prominently displayed in many milk tea chain stores across China: for CoCo, one of China's leading milk tea chains, fresh grapefruit tea and grapefruit-coconut milk tea have been two of their flagship products, both of which enjoy immense popularity among teenagers. Produce Report interviewed Mr. Justin Chadwick, CEO of CGA, to talk about the secrets behind the significant increase in South Africa's overall grapefruit exports as well as his views on the Chinese market. Mr. Chadwick attributed grapefruit's export growth to three main factors. First of all, new markets have opened up for South African grapefruit over the past ten years, most notably China and South Korea. According to Mr. Chadwick, South Korea is perhaps the only country in the world where per capita consumption of grapefruit is increasing. Secondly, all other countries in the Southern Hemisphere have gotten rid of their grapefruit export orchards due to poor returns on investment year after year. This has left South Africa as the sole country exporting grapefruit during the growing season in the Southern Hemisphere, which has also helped balance supply and demand in the market and caused exporting grapefruit to become a more profitable venture...As a health fruit with a special appeal to the younger generation, grapefruit can benefit from the trend towards healthy eating in China. Mr. Chadwick noted that their biggest challenge is China's product entry requirements, as it "has a great impact on the cost of accessing the market and means that we have to do extra work in ensuring the arrival of a quality product." At the end of the interview, Mr. Chadwick also elaborated on the success of South African grapefruit in Japan and South Korea. Japan has historically been a big consumer of grapefruit and the country's aging population is accustomed to a daily diet of grapefruit, usually taken for breakfast. In South Korea, campaigns targeted at stimulating demand by showcasing the myriad of different uses for the grapefruit, such as in steakhouses and as an addition to alcoholic drinks, have driven the fruit's consumption.

[producereport.com; 21 August 2017]

Chinese inspectors visit Zimbabwe

Led by Dr Wu Jiajiao, an entomologist at the Guangdong Inspection Quarantine Technology Centre, the delegation was pleasantly surprised by what they saw, according to The Herald. "This [the inspection] is part of the biosecurity measures that are followed whenever we want to import crops or animals from another country," Wu told The Herald. "We are concerned with pests and diseases that are not in China." Wu confirmed False Codling Moth was one of the pests the officials were on the lookout for during their inspections. Should market access be granted, Zimbabwe would look to fill a counter-seasonal gap in domestic citrus supply in China, competing with suppliers such as South Africa and Australia, which have well-established export programmes in place. Wu told The Herald there was still room for Zimbabwe to grow market share. "We are also interested in investigating the branding and packaging of the citrus fruits," Wu explained. "China has a big market for citrus fruits. We are currently importing from foreign countries and Zimbabwe can also export to us if it meets our requirements."

[fruitnet.com/asiafruit; 21 August 2017]

"In my opinion the global lemon industry is going to have to push consumption"

There has been some rain in the Eastern Cape this week, this is not unseasonable and it is very welcome. "It is very timely," said Hannes de Waal from Sundays River Citrus Company. "We need to get at least 100 mls before the end of October or we will most likely face some problems next season just as we did this season."...The lemon markets are pretty full at the moment but according to Hannes it's not been too bad, "One must see it in context, we have seen South Africa, Argentina and Spain all up in volumes, and so there were plenty on the market. In my opinion the global lemon industry is going to have to push consumption. At the moment there are no major promotions going on." ...The supply of lemon is a proliferated supply and there are a lot of smaller suppliers making it difficult to get a consolidated promotion campaign under way. "Here in South Africa we have been trying to get one started and I hear the Americans and Argentinians are thinking along the same lines." South Africa will export more than 18 million lemon cartons this season which is more than Argentina, both of these country's export volumes will continue to grow in coming years, Spanish volumes will also continue to increase. "It has been good for South African lemons these last years, we have had the Middle East market which grew a lot in the last decade as well as Russia, although it is up down there is still growth there. South East Asia has also been good for us. "In the past you just took lemons to the markets and people bought them, but now we are going to have to promote them and if we don't do this the volumes will continue to increase but not the prices." We also still see opportunities for our juice business and continue to invest in it to the benefit of producers in our valley...

[www.freshplaza.com; 18 August 2017]