Global Citrus Scan (2018_27)

John Edmonds (2 July 2018) Citrus Growers Association (CGA)

OVERVIEW GLOBAL ORANGE MARKET

The last oranges from the northern hemisphere are still on the market. Mediterranean countries are bringing their last volumes to the market, while the first imports from South Africa are also available. Dutch traders hope for a better overseas citrus season after the oversupply of oranges during the European season. South Africa, however, seems to be waiting a little before starting to export to Europe. Although the volume of oranges is large and the export figures exceed those of last year, there are concerns about, for example, the cheaper Valencias from Egypt that are available in Europe. Moreover, South African producers have been harvesting a larger amount of small calibres, which are better suited for the countries in the Middle East. In Latin America, Chile aims to export more…

South Africa exporting more Navels to the Middle East. In week 26, exports amounted to 11.5 million boxes (15 kg) of oranges. The majority of these are Navels; roughly 10.8 million boxes. According to a trader, the Navels are small this year, although those from the Eastern Cape seem larger than those from the north. Since the Middle East is a good market for small sizes, a lot has been shipped to that destination. The large volume has put the market under pressure in that region. More than half a million boxes (15 kg) more than in the previous season were exported to the Middle East this campaign. In Europe, there is a lot of cheap summer fruit available, and Egyptian Valencia oranges, for example, are on the market (according to an exporter, the quality of those Valencias is not great). Furthermore, the last Spanish oranges are also available. The market for Navels seems to be under pressure everywhere, according to a trader. He points out that the internal quality of the Navels from the East Cape is good. The first small volumes of Valencia oranges arrived in week 22. The season started about two weeks later than usual due to a slow colouring and a late winter…

Chile expects exports to increase. The Navel season lasts from June to October...Navel exports amount to around 51,000 tonnes…The US is, by far, the most important market for Chilean citrus, but a trader explains that they are looking for other markets, including those in Europe…

Italy: Blood oranges for Chinese New Year. The country is the second largest producer in Europe after Spain. Most of the oranges are grown in Sicily and in Calabria. These regions account for 59% and 22% of the total production…The season for the market year 2017/2018 has been considered exceptional, considering the quality…The season has had two faces: there has been a high demand for good quality oranges, but little supply. Meanwhile, there has been a great supply of average quality oranges, but little demand.

The citrus market in Germany is currently relatively quiet, but stable. This naturally has everything to do with the large supply and the demand for seasonal summer fruits, such as melons and stone fruit, as well as domestic soft fruit. Due to the huge availability of Egyptian (juicing) oranges (Valencia), several traders have largely or entirely stopped getting imports from South Africa. The oversupply, however, is still resulting in very low (purchase) prices of about 8 Euro per 15 kg. This situation is completely different to last year's, when the supply was smaller and the summer season was also more stable in terms of prices. As far as table oranges are concerned, the Spanish Navel Late is currently in an outstanding position, with traders very happy about the fruit's quality. The price of these oranges amounts to around 15 Euro per 15 kg. The Egyptian orange campaign is expected to continue for about a month longer (KW 30). According to the traders, the demand and prices will not increase significantly until October, once the European stone fruit season is finally over…

Netherlands: Light at the end of the tunnel after disastrous orange market. In recent weeks, selling prices of 6-7 Euro per 15 kilos have not been rare, so the market situation has been disastrous. The main cause for this has been the huge supply. Even in terms of quality, not all products were top-notch. Morocco shipped many oranges which used to go to Russia to the European market, and Egypt was also on the market. In the meantime, the supply from these countries is coming to an end and some see light at the end of the tunnel for the orange market. Next week, the first Valencia oranges will arrive from South Africa, after some Navels have already been shipped. Given the great price difference, customers initially had to get used to the high prices, but now people are looking for good oranges. Also, South Africa has exported 20-30% fewer oranges so far, which makes the situation look rosier for the coming weeks. Prices are now at a level above the 10 Euro, with 12 Euro paid for the Navels. With the holidays approaching, prices are not expected to change too much, but given the expected lower supply, orange prices should remain at a normal level.

According to a French trader, the table orange season has been reasonable. "The quality has been good and the volumes have been on par with the demand. We can be satisfied with how the season has gone. We will still be able to supply Spanish production for another two weeks. Next week, the last varieties will be harvested. Other traders have already received the first volumes from South Africa." The trader adds that there is also a good demand for table oranges in July and August…

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