

Global Citrus Scan (2018_29)

John Edmonds (6 July 2018)



Citrus Growers Association (CGA)

South African lemons: silver lining to European citrus campaign

Egyptian Valencias are a major spoke in the wheel for South African navels and Valencias in the EU and Russia, in a season when calibres are smaller, causing some nervousness around the marketing of unpopular counts. "We're not panicking but the prices aren't what we were hoping for," says Hannes de Waal, MD of the Sundays River Valley Citrus Company. Another navel exporter sums it up: "The navel season isn't wow but it's not a disaster."

After an inauspicious start with Satsumas, fraught with quality problems, followed by a heavy Nova crop that was difficult to market, coupled with a difficult grapefruit season, there's an atmosphere that ranges from cautious optimism to annoyance with European traders who bought large volumes of Egyptian oranges of dubious quality at very low prices, well-aware of the imminent South African volumes. Moreover, it's difficult to compete with Europe's own abundance of summer fruit and even in Russia, the World Cup doesn't seem to be stimulating South African citrus consumption because their market, too, is flush with Egyptian and Moroccan fruit.

South African navel quality is "ten times better than last year", says a trader dealing with navels from the Eastern Cape, with very low levels of spoilage and quality problems...However, navel calibres from across the country are smaller, placing pressure on smaller counts...Because the Middle East is a market for small fruit, they're getting a lot of South Africa's navels, placing the market under pressure. It doesn't help that Ramadan was earlier this year. The price-sensitive Far East market looks good at the moment and for traders who are exploiting other markets like Canada, the going is good. In the Eastern Cape the navel season is about halfway through (not necessarily in terms of volumes), with about two weeks left on the navels and navelates. The Rand has been losing value against major currencies, which is an aid to South African exports at the moment.

The lemon campaign is stable, given the volumes going out. Earlier prices fell by a third but for the past month the prices have stabilised and started picking up. Heavy rains in Argentina have impeded their lemon season and the Argentinian export increase of up to 30% wasn't realised, to the relief and surprise of the South African industry...In the Gamtoos Valley of the Eastern Cape farmers are fervently hoping that the rain and snow of the Western Cape will move eastwards. The Kouga Dam is the lowest it has ever been, at 7.8% full. Citrus producers in the Patensie area are very worried by the continuation of the drought.

[freshplaza.com; 3 July 2018]

Turkish concern as window narrows

Eurofruit spoke to Ayşe Özler, marketing manager at Turkish exporter Özler Ziraat ahead of the Turkish lemon season. According to Özler, the company is gearing up for a highly competitive campaign on the Asian market due to large volumes from both South Africa and Egypt...Which markets we target for lemons, or which appear the most promising, will depend on the dynamics of each market and the availability and remaining stocks of Southern Hemisphere lemons. As the window will be very narrow, we must remain observant and not rely on the dynamics of just one single market. I guess we will have to be ready for fierce competition!...Asia has been developing and performing very well...over the past decade. But the main reason for this was the window we enjoyed, during which our lemons benefited from being cheaper than US lemons...Now, if that window is filled by South African lemons until mid-November and then by Egypt from December to March, things will change drastically for us. We have to...adapt our position accordingly...

[fruitnet.com/asiafruit; 2 July 2018]

Argentina: Negotiations with Mexico for exports of sweet citrus

The negotiations for the opening of the Mexican market to sweet citrus fruits - oranges and tangerines - from Argentina are progressing..."Mexico is an important market for Argentina. Last year we started exporting lemons to that destination and now we are working to open that market for sweet citrus fruits. Based on the results of this visit, we are optimistic that we could start exporting next season," said the national director of Plant Protection of Senasa, Diego Quiroga...

[freshplaza.com; 5 July 2018]

U.S. East Coast Navel movement "moderate" despite light volumes

...according to Capespan North America CEO Mark Greenberg. In a week 26 market report, he said the first South African bulk reefer arrived and discharged her cargo in week 25, while the first of Chile's navels entered the following week...The market is seeing arrivals of heavier volumes of small-caliber fruit from South Africa and is expecting the same from Chile, he said, which suggests that the 9 x 3 lbs bag price will quickly come down from its "lofty US\$28-30 level."...For easy peelers, Greenberg said the market remains strong despite his predictions that prices could fall during week 26 on the back of rising supplies and increasing volumes of domestic summer fruit...Chilean sources continue to load heavily with tonnage shipped through Week 25 almost 50% greater than last season, he said. "South African and Peruvian easy peelers are also adding their tonnage to the available product...The gap in navel orange supplies is likely a factor in helping to hold the easy peeler market stable, but so is the increased appetite for the product."...

[www.freshfruitportal.com; 22 June 2018]