

Global Citrus Scan (2019_5)

(John Edmonds 22 February 2019)



Citrus Growers Association (CGA)

Spain: Murcian lemons close to becoming unprofitable

Murcia's lemon sector is facing trouble this campaign after a few golden years in which the 'boom' in the production and profitability seemed to have no end. The significant increase in the production, which has reached around 1.3 million tons in Spain, together with other factors, such as greater competition from other countries, mainly Turkey, has caused prices to sink. As a result, a significant part of the production of the Fino variety; that is, between 10% and 12%, will be left unharvested. The fact is that the crop is close to becoming unprofitable, with the price coming close to 18 cents per kilo, which is the estimated production cost... This is a new situation after six exceptional seasons, in which many new plantations had been set up, motivated by the fruit's high profitability... The prominence that Turkish lemons are having this campaign explains, to a large extent, the deterioration of the market conditions for the Murcian product. This year, Turkey has again set its sights on Europe, since it has recovered its normal production levels, with around 800,000 tons. Besides, the country has also benefited from the strong devaluation of its currency, which led to oversupply and much cheaper prices... "Handling such volumes between fresh (70%) and industry (30%) will not be easy," acknowledges the top executive of Ailimpo. "Especially if the countries competing with us, such as South Africa, Argentina, Turkey and even Egypt, are also planting more." In the opinion of José Antonio García, "although the lemon consumption in Europe has grown by 30% in the last decade, which has allowed prices to rise, that growth cannot continue to happen indefinitely."

[Freshplaza; 21 February 2019]

Argentine lemon production to "rebound", orange volumes to fall

Argentine lemon production is expected to rebound to 1.6 million metric tons (MT) in 2019 and exports are set to rise to 290,000MT, according to a U.S. Department of Agriculture (USDA) report... The increase in exports, from 265,000MT the previous season, is attributed to higher volumes available as well as opportunities in several foreign markets. Argentina has recently re-opened the Japanese market, and is now gearing up for its second export season to the U.S., which re-opened for the country in mid-2017 following a 17-year hiatus... Meanwhile, orange production is projected to decrease from 600,000MT to 500,000MT, while tangerine volumes are set to decline from 350,000MT to 280,000MT... "However, if production costs, such as labor, inputs, energy, inland and ocean freight and inflation rates, estimated at 45 percent for 2018, continue to rise, the lemon sectors competitiveness will suffer," it said. "Furthermore, although the depreciation of the Argentine peso in 2018 made exports more competitive in foreign markets, a reinstatement of export taxes, a decrease in export rebates and high interest rates this year partially offset that advantage..."

[Freshfruitportal; 19 February 2019]

Argentina gains India lemon access

A sanitary protocol has been signed allowing the export of Argentine lemons to India... "The negotiation of the protocol for the entry of lemons was a very extensive process that culminated today in a successful manner; It is part of the ongoing effort to open up new opportunities for Argentine products," said Horacio Reyser, secretary of international economic relations of the Argentine Ministry of Foreign Affairs. "In the last three years we have opened more than 170 markets in more than 50 countries," he noted... According to Citizen Association of Northwest Argentina (ACNOA) the agreement is of strategic importance as India has reportedly agreed to work with Argentina to achieve rapid access for other products like orange, grapefruit and tangerine...

[Fruitnet.com/Americafruit; 22 February 2019]

Argentina closes in on Vietnam citrus market

Argentina and Vietnam have pledged to work towards establishing a comprehensive partnership to boost trade and strengthen cultural ties between the two countries. The announcement followed a meeting in Hanoi on Wednesday between Argentine president Mauricio Macri and his Vietnamese counterpart Nguyen Phu Trong, during which they approved a reciprocal exchange that will allow Argentine oranges, grapefruit and mandarins to enter Vietnam as well as lemons.

[Fruitnet.com/Asiafruit; 21 February 2019]

Peruvian citrus in line for double-digit growth

Peruvian citrus exports are on course to reach 200,000 tonnes this year, an increase of 10 per cent on the 180,239 tonnes shipped during 2018. Sergio del Castillo, general manager of producer association ProCitrus, said the rise was largely down to a surge in mandarin exports, led by the W. Murcott and Tango varieties...

[Fruitnet.com/Eurofruit; 22 February 2019]