

Global Citrus Scan (2019_11)

(John Edmonds 18 April 2019)



Citrus Growers Association (CGA)

South Africa: Citrus volumes could end up lighter than forecast, exporter warns.

While expectations for the South African citrus export forecast were high at the Citrus Growers Association's (CGA) summit early last month, with the nation predicted to send a record 137 million boxes overseas, some in the industry have warned that exports may be lighter than previously anticipated. Sunday Rivers Citrus Company's CEO Hannes de Waal told FreshFruitPortal.com: "Take the official estimate given at the summit and reduce that number by five million cartons because, already, we are late, and some problems have started, giving fruit lower estimates on some categories... De Waal explains... "With what I see in South Africa, I don't think the supply is going to be as strong as we may have thought a month ago. It seems to me that we're still in that dry cycle, in a drought cycle and we already see that crops are lighter on the first varieties that come out than what people estimated."... Another factor that could reduce the initial season forecast is the adjusted harvesting timings. "The start of the season was delayed roughly ten days," says a representative from Everseason. De Waal's estimate was even later. He said the season's start would likely be "two or three weeks later than what we thought it would be or expected". Speaking about navels in particular he added, "If we have a very long Spanish season already, most of us are hanging a little bit longer than what we would've wanted... and that will already reduce the crop that comes down." Regardless of these challenges, new production areas in the country could offset any reduction resulting from a slow start or climatic issues, according to the sources. The Everseason representative says he expects that South African volumes will end up being higher than last season, explaining: "It's mainly due to the new production coming in." De Waal also remarks on the rise in plantings saying, "There's a lot of growth in South Africa because people have planted a lot of trees, especially mandarins and lemons". However, he adds that an issue facing South African citrus is unfavourable yields: "The yields on your already established orchards are not what they're supposed to be, and this is what makes your estimates very difficult. You've got new trees bearing and new fruit coming in but due to the fact that it's new trees and fruit, your pack-outs are never very high and then... it's difficult to estimate exactly what's going to happen."

[Freshfruitportal.com; 17 April 2019]

EU to consider activating South African citrus safeguard clause amid Spanish crisis

The European Commission's Director of Trade Defense, Leopoldo Rubinacci, has reportedly said that Brussels will study the possible activation of the **safeguard clause** in the trade agreement with South Africa amid an ongoing crisis in the Spanish citrus sector... Spanish citrus growers – a large portion of whom are based in Valencia – have said that prices have been unsustainably low, attributing the problem to the rise of imports from countries like Morocco, Egypt, Turkey and South Africa. The sector has put heavy pressure on the European Commission to take action... Rubinacci also said that in order to move forward, the citrus sector should have a spokesperson in Brussels who can convey industry's concerns, adding that any decisions will be made by the economic bloc based on hard data. The priority is to find out "what the exact problem is", he was quoted as saying... Achieving "the sector's unity at the highest level," as well as the presentation of verifiable figures is essential for the EU to take action, he was quoted as saying.

[Freshfruitportal.com; 16 April 2019]

"A lot of Peruvian citrus growers are focusing on new varieties"

This week, the first Satsumas from Peru will arrive at Origin Fruit Direct. Gijsbert van Leeuwen visited the growers in the various Peruvian regions last week, and reports: "They're currently harvesting the Okitsu variety, and this is looking very well. The harvest is generally a bit earlier than expected, and it's all coming along a bit faster than predicted. Volumes differ per region and grower. Some expect 15 to 20 per cent less, while other growers expect to achieve the same volume as last year."... A lot of growers are chopping down their Satsumas and are focusing on new varieties such as Orri and Ortanique. Expectations from Peru are that the Satsuma volume will only decrease from now on, and that Primosole will take over that market share,"... "The fruit is fresher, stronger and cleaner compared to last year, and sizes for Europe are good as well, the peak sizes are sizes 1 and 2. Until week 17-18, the Okitsus will be packed, and they'll then switch to Owari, which they're expecting to export until week 23-24. The Owari is a stronger variety, and prospects regarding quality for this crop are better than last season as well. The Nadorcott volume is still rising, and it's expected they'll be exported around week 28-30. All in all, the coming season is looking well with a better quality, and a more stable market for Satsumas"...

[Freshplaza; 14 April 2019]

Ukraine almost doubled imports of citrus in March

...According to the latest reports of the state fiscal service, in March of the current year Ukraine imported 64,000 tons of citrus fruits, which not only significantly exceeds the volume of purchases in February, but is also the highest figure for at least the last three years... At the same time, analysts at EastFruit note that the upward trend in imports of citrus fruits in Ukraine can be traced throughout the season, and by the end of 7 months of the 2018/19 season, the country increased purchases of these fruits by 12% compared to the same period in 2017/18. East-fruit.com reports that according to the expert, the increase in consumption was noted not only in the citrus segment, but also of bananas, which indirectly indicates an increase in consumer income.

[Freshplaza; 14 April 2019]