Global Citrus Scan (2019_12)

(John Edmonds 26 April 2019) Citrus Growers Association (CGA)

Capespan North America approaching citrus transition with "moderate optimism"

As the North American market prepares for the transition to Southern Hemisphere citrus, Capespan North America's CEO Mark Greenberg says the fresh fruit supplier is approaching the period with "reasonable expectations and with moderate optimism"…"I tend to believe what the customers are telling us to be ready for, which is a major transition in mid-May for easy peelers, and a major transition on navel oranges in early July." To Greenberg, knowing the consumers' wants is essential for the Southern Hemisphere's exporters to "ensure that we have fruit available when our customers need it and not too early – not to have fruit when it's not welcome in the market"…Breaking down how this year's volumes from Chile might compare to last season, Greenberg says: "I think that Chile had a huge crop on almost everything last year and I think this year's crop will be very similar."…"Peru will be probably unchanged or up marginally and South Africa can't really comment…"Last season, navel oranges struggled to some extent…we began to see that soft citrus and specifically late mandarins were really cutting into the navel orange demand, but we've been working with our retailers, setting up our programs for the season and…I say they're expecting a well- and consistently-supplied market."…

[Freshfruitportal.com; 22 April 2019]

Counter-seasonal South African citrus not unfair competition for European production

The South African citrus industry has taken note that the EU Commission will undertake an analysis into whether imported third country citrus requires the activation of a trade safeguard measure in the form of increased import tariffs, as has been reported, to protect the local European citrus industry. According to an industry insider, the South African industry believes that a review of the data will show that South African citrus doesn't pose a risk of unfair competition to European citrus, and that a safeguard clause is not warranted in this case…In fact, the local industry points out, South African citrus retains the commodity's shelf space and stimulates year-round consumption, thereby enhancing the market position of Spanish citrus growers..."South Africa has been exporting citrus to Europe for more than a hundred years, there's nothing new to the trade. The growth has been gradual as the demand for South African citrus fruit increased." The shoulder seasons between the Northern and Southern Hemispheres have largely disappeared as new cultivars are supplied to consumers during these periods. Consequently, increased competition during the historic shoulder seasons has increased, but it's a normal and repeated occurrence in any market development, he notes.…

[Freshplaza; 24 April 2019]

Spain: Analysis of a citrus campaign to forget

With the marketing of mandarins in the south of Spain virtually finished, orange traders are facing the last stage of a citrus campaign to forget. The asphyxiating competition from third countries, the rise of the minimum wage, the weather conditions and the low prices paid by the processing industry have been some of the most limiting factors. "At the moment, we are harvesting and marketing Lane Late, Navel Powel and Chislet oranges, and we will continue later with the Valencia Late and Midknight until the end of June," says Daniel Blanco, commercial director of the Andalusian company Mogalla… According to Daniel, the lack of demand for Spanish citrus during the whole campaign adds to the fact that the weather during the winter was not ideal, as very warm temperatures were recorded, as well as little rain. This has taken a toll on the quality of the fruit, whose shelf life has been shorter than in other campaigns…Another important factor is the competition with other origins, which is making things increasingly difficult for Spanish citrus exporters. "Although there has been much talk of South Africa this campaign, there are also other countries, such as Egypt or Morocco, which have seen their volumes grow and which also have low production costs, thus making the sale of Spanish oranges and mandarins more difficult. The fruit from these countries is sold in European markets at prices with which we cannot compete in Spain. I believe that Egypt in particular is becoming a tough competitor to take into account, with its great agricultural growth in recent years, its investments in large tracts of land and its logistics infrastructure, which is allowing it to reach Europe quicker and more easily."…As if all this wasn't enough, the minimum wage increase was applied in January, and it went from € 735.90 to € 900, leading to higher production costs (up by more than 20%)…

[Freshplaza; 24 April 2019]

Summer Citrus from South Africa hosts 'successful and positive' planning session ahead of upcoming season

Boet Mouton, SCSA's chairman of the board of directors, explained the importance of importer partners to continue to deliver on the association's promise to provide deliciously sweet tasting citrus fruit during the summer months, which complements the US production season…According to Gerrit van der Merwe Jnr, member of the SCSA board of directors, growing in Citrusdal is the heart of the country's citrus production and, after emerging from a three year drought, the growers of SCSA are looking for the "first proper citrus crop without any water restrictions," underlining the association's excitement around the potential of the upcoming season…Featured speaker Erin Meder, general manager of Capespan North America, affirmed the significance of a cohesive grower model, defining South Africa's grower collaboration as a "self-regulated honour system" with a unified voice, providing accurate information and quick evaluation to solve industry challenges…

[Fruitnet.com/eurofruit; 25 April 2019]