Global Citrus Scan (2019_18)

(John Edmonds 5 July 2019) Citrus Growers Association (CGA)

Crisis at South Africa's harbours affecting citrus exports

Usually the situation at Durban Harbour is the citrus industry's greatest cause for concern but this season the situation at the Port Elizabeth container terminal (PECT) and the new Ngqura (Coega) container terminals (NCT) is "absolute chaos" and "a major crisis", according to various citrus exporters…"The situation at the harbours is one of the biggest challenges facing the entire industry at the moment, and we're not even into peak season," says a shipping agent…There is currently limited loading at the Port Elizabeth container terminal. Last year a container crane at Port Elizabeth toppled over into the harbour due to high winds (while a second crane malfunctioned two months ago), leaving the harbour with only one remaining crane…The Ngqura harbour is more exposed to wind than Port Elizabeth (25km to the east) and was again down for at least 24 hours on Sunday and Monday due to wind, losing productivity…Transnet employees are allegedly going on a go-slow, despite a new wage agreement signed just over a year ago. The majority government-owned port authority, deeply implicated in the corruption of the Zuma administration and current focus of an enquiry into state capture, has put a brake on procurement processes, causing a backlog of maintenance and labour shortages…"South Africa's excellent reputation was built on the fact that we always got the fruit out very quickly, sometimes straight from the packhouse to the ship, but what's going on at the harbour is inflicting unbelievable damage on the citrus industry," says Hannes de Waal, managing director of the Sundays River Citrus Company. "If we cannot sell our citrus we cannot survive." The citrus industry brings in R19 billion (1.2 billion euros) to the country's struggling economy and has, in fact, already been touted as the successor to the mining industry, as economic growth in other sectors slows down and unemployment increases…

[Fresh Plaza; 4 July 2019]

South African navel crop down by 2.5 million cartons

…The navel export estimate from the start of the season has been revised downwards by 2.4 million cartons, from 26.8 million to 24.5 million 15kg equivalent cartons on navels and also a downward adjustment on Valencias, 51.8 million cartons from an original 52.8 million cartons. In the Senwes production region (Marble Hall/Groblersdal), where last year they took off their highest ever navel crop of 8.9 million export cartons (making it the dominant navel region in South Africa) this year sees a 30% drop on 2018's volumes and a 25% drop on the original export estimate of 8 million cartons. However, in the provinces of the Eastern Cape and Western Cape…the navel situation looks quite different: the harvesting of late navels like Cambrias and Autumn Gold are due to start in two to three weeks, colouring is good…An empty market in China has been pulling strong navel volumes, which could result in an oversupply…particularly in light of a reported half a million cartons of Egyptian Valencias recently sent to China…There seems to be a general move away from the Middle East driven by the season's larger sizing, although some producers notice a growing appreciation of the fact that late navel varieties are a premium product and prices are fair on specific counts like 72s and 88s. Then there are the lacklustre Russian and European markets where there are still Egyptian and (in the latter) Spanish fruit available. The current heatwave is also slowing down the sales tempo on oranges. The Egyptian orange crop is increasing and their Valencias remain longer in the market than in the past, while their location gives them a big advantage regarding transit times and logistical costs….The profitability margins on navels (especially early navels) are amongst the lowest in the citrus industry.

[Fresh Plaza; 1 July 2019]

Egypt gaining ground globally as orange exporter

The export of Egyptian oranges is recording a huge increase globally thanks to the fruit's lower production costs and the problems of its competitors…The crop's expansion started 15 years ago, when the Egyptian Government launched a plan to support the sector. It included the Army's involvement, which set up collection stations to facilitate the packing of oranges. Also, the deserts of Wadi Annorum and El Alamein were prepared for the planting of orange trees…Between 2013 and 2018, Egypt expanded the acreage devoted to orange cultivation by 18%, reaching some 28,764 hectares, according to data from the US Foreign Agricultural Service. The volume of oranges exported in 2017 amounted to 1,462 million tons, according to the Ministry of Commerce of Egypt, compared to the 1,624 million tons exported by Spain…Hussein Hassan, director of the Egyptian Council of Agricultural Exports, said that Egyptian oranges are increasingly present in supermarkets around the world, as Egypt has been opening markets such as South East Asia, China or Australia…Also worth noting is that this season, Chinese orange trees have been affected by a disease that has taken a toll on the fruit's ripening, and this has allowed Egypt to increase its exports to China, which is also the country that offers the highest price for oranges. Hussein Hassan is optimistic and believes that this year, Egypt will take Spain's place and become the world's largest exporter of oranges.

[Fresh Plaza; 4 July 2019]

Argentina expects to double lemon exports to the US

The current lemon campaign, which began in April and will end in August, has been marked by intense autumn rains and a stoppage of transporters at the beginning of the season that significantly delayed the harvest of lemons in Tucuman, which accounts for 80% of the national production…Since there was a decline in the production of export fruit (the rains caused them to have an unfit color and size), the sales volume of lemons abroad could decrease by 20%, according to industry calculations. According to the president of the Association of Citricultors of the Argentine Northwest (Acnoa), Pablo Padilla, "the sales volumes to the European Union markets are going to be approximately 25% lower than last year when the country exported about 180,000 tons to those markets." However, Argentina will export nearly 23,000 tons of lemons to the United States this season, which would double sales to that country compared to last year…

[Fresh Plaza; 4 July 2019]