Global Citrus Scan (2019_30)

(John Edmonds 4 October 2019) Citrus Growers Association (CGA)

AU: Orange growers savour record farm gate prices

EIGHT years ago, citrus growers were abandoning fruit worth millions of dollars due to a strong Australian dollar crippling export markets. Many were pulling out trees and they were devastated as Mother Nature delivered some of the worst frosts on record. At the same time they were only getting paid 10 cents to 12c a kilogram for fruit to be sold at the supermarket when it cost them 30c/kg to produce at the farm-gate. Fast forward to today and it's a different story. For the first time, orange growers are seeing record highs at the farm-gate with some fetching as much as $1.20/kg for premium fruit. "We've had two decades of rubbish prices for fruit, frosts, drought, people pulling trees out and a lot of pessimism," Mr Mancini said, who owns Redbelly Citrus and is pictured on our cover. "Now the industry is shining bright with China, who is acquiring our quality sweet flavorsome fruit and we are seeing record prices particularly for higher quality fruit. "Mr Mancini said Australia needed to continue producing a premium product as there was competition from 117 different countries who were vying for a slice of the Chinese market. He said these included countries like South Africa, Peru, Egypt and soon to be Chile once their free trade agreement was approved. "Chile is the biggest threat as they are one of the largest players in the market with low production costs," he said. "So we have to make sure we can supply a consistent product. We can't afford to disappoint China who are prepared to pay good money for our product. "China admires our produce for it's sweetness, which is good for us as a lot of our competition has a bland flavour…"We just need to keep improving on what we are growing to keep the markets we have and look to the future to secure other opportunities like India. If we get India and China buying our premium fruit it will be good for the industry and local economy…"There are other markets pushing hard to get into China so we just need to keep our standards up and grow good fruit and so we can keep our name out there as country providing premium fruit."…Jason Restagno from Lakesview Citrus echoed Mr Mancini's sentiments saying growing a premium quality product for the Chinese market was vital for the industry to continue to thrive. "There are other markets pushing hard to get into China so we just need to keep our standards up and grow good fruit and so we can keep our name out there as country providing premium fruit," Mr Restagno said…

[Goodfruitandvegetables.com.au; 1 October 2019]

Florida set for major grapefruit planting

In Florida, Peace River Citrus Products and Scott Family Companies and its partners have announced that they will invest more than US$25m to plant a quarter million new grapefruit trees on 1,500 acres in Florida's St. Lucie and Indian River Counties. The move is the first major grapefruit planting in the state since citrus greening decimated Florida's existing grapefruit groves. "Through this innovative grove planting commitment, Peace River and The Scott Family Companies aim to boost Florida's grapefruit crop by 15 per cent once the new groves reach maturity," said Andy Taylor, senior vice-president and chief financial officer at Peace River Citrus Products…The Coca-Cola Company is supporting this effort with a multi-year agreement to purchase processed grapefruit juice for its global juice brands…In addition, Japan-based flavour and fragrance giant Takasago International Corporation is also strengthening its 40-year relationship with the Florida citrus industry by investing US$1.5 million in the new tree plantings, underwriting the cost of every new tree planted through this partnership to ensure a sustainable grapefruit industry in Florida.

[Fruitnet.com/Eurofruit; 26 September 2019]

Spanish lemon crop lower, but unaffected by recent storms

Spain's lemon season is now underway, amid expectations of a 15% year-on-year drop in volumes. Grower body Ailimpo said the major lemon supplier is expecting volumes of 1.1m metric tons (MT) during the 2018-19 campaign. The expected production decline is driven by an 11% drop in the predominant Fino variety to 820,000MT and a 24% decline in the late-season Verna variety to 290,000MT. Ailimpo said that these volumes marked a return to normal after last season's record crop. In addition, it said that the severe rain and flooding experienced throughout much of eastern Spain in mid-September had not affected the production forecast. The catastrophic weather event affected over 300,000 hectares of agricultural crops, with oranges among the hardest hit fruit crop…The Fino season has just begun and is now seeing volumes build up. Ailimpo says it expects good quality and sizing in October. Around 20-25% of the total crop is estimated to be processed – an industry for which Spain ranks second in the world..."

[Freshfruitportal.com; 27 September 2019]

U.S.: Japan trade deal "exciting" for California citrus

…The U.S. and Japan signed a deal earlier this week that will reduce or eliminate tariffs for certain agricultural products. The California Citrus Mutual (CCM) said on Thursday that the development was "excellent news" for the industry…"The California citrus industry has faced a 32% Japanese tariff rate for far too long," said CCM president Casey Creamer..."In 2016 the U.S. citrus industry exported 70,366 metric tons (MT) to Japan, the majority originated from California. In 2018 the tonnage slipped to 48,060MT. Japan doesn't set a duty on lemon imports, but U.S. oranges face a 16% tax from June through November and 32% from December through June. Grapefruit is subject to 10%.For CPTPP members, orange and grapefruit tariffs will be phased out over six to eight years.

[Freshfruitportal.com; 27 September 2019]