

Global Citrus Scan (2019_34)

(John Edmonds 11 November 2019)



Citrus Growers Association (CGA)

Tougher times for South African citrus growers and exporters during past season

China and Russia stood out as the more difficult markets of the 2019 citrus season, says Snyman Kritzing of Grown4U... The harvest is over and their last lemon containers are on the way to the UK and Hong Kong. More Novas than usual went through the China's cold steri protocol. Novas appeared sensitive to cold damage from the cold-steri protocol which affected the shelf life and taste of some arrivals from South Africa, not impressing the buyers nor more importantly, Snyman notes, the end consumers. Stock started building up, eventually leading to a complete crash of the market for Novas in China, Snyman says. Thereafter late mandarins (even Honey Murcotts from Australia that, Snyman says, usually "sell for crazy prices") had a hard time of it in China. Diverting stock to other markets in Southeast Asia pulled down those soft citrus markets and caused Singapore's market to crash. Moreover, given the large proportion of young late mandarin citrus trees in South African orchards, there was a lot of class 2 fruit. Elsewhere in the world prices were as per usual on late mandarins but generally more fruit were available and late mandarin prices are \$1 or \$1.50 per carton lower than last year, especially on class 2. "Oranges: everywhere we're running into Egypt": "Everywhere we're running into Egypt," he says, and he doesn't expect the situation to change much during coming years. This year Chinese buyers (and South Africans) thinking that the Egyptian harvest was over, were surprised by boatload upon boatload of Egyptian Valencias that kept on arriving at the Chinese market. It destroyed the market for early navels...In future early navels are going to become really, very difficult. And it's not just in China." "...Next year could perhaps be a little different for navels, given the current outlook for Spain and Morocco but Egypt remains the surprise packet and he says it is very difficult to gain good information about the Egyptian supply...As poor as China was for navels, he says, the opposite was true for Valencias. "From day one there was a shortage of counts 72 and 88 on Valencias because the guys in the north had very large fruit, and around week 35 week 36, you could basically ask any price for Valencias." Towards the very end the Middle East, Bangladesh, India, Europe and Russia came under some pressure...The lemon market was fair but Spain's big Verna crop basically halved the marketing window for South Africa in Europe and the market never really exploded. "Income from lemons in Rands per carton is definitely significantly lower than 2018." In general, the citrus industry's income is on a gradual downward trend since peaking in 2016. He says he can't see how next year will be very different. Saying that, both Morocco and Spain report significantly lower volumes on soft citrus and oranges...About 30% of their volumes go to the UK, about a million cartons, and Brexit could have a big effect on their lives. Snyman speculates that under the new trade regime (there is a bilateral agreement that trade between post-Brexit UK and South Africa will continue unchanged in terms of tariffs), if the UK has to pay duties on European citrus, they might consider staying longer with South African citrus during a season.

[Freshplaza.com; 8 November 2019]

Ailimpo welcomes us to the 'Lemonage'

Ailimpo, the Murcia-based interprofessional organisation representing the Spanish lemon industry, has revealed that it has secured EU funding to launch what it has called "the most ambitious promotion, information and dissemination campaign in its history". The campaign, which has adopted the slogan "Welcome to the Lemonage", will combine communication, PR and advertising actions both inside and outside the internal market. According to Ailimpo the initiative has been allocated a budget of €6.5m over the next three years (2020-2022), with about €5.23m going to internal market programmes (France, Spain, and Germany) and €1.27m to third countries (US and Canada)...Spain is the world leader in fresh lemon exports and ranks second in the ranking of processing countries, with an annual turnover of €700m and 20,000 direct jobs as well as sales in ancillary industries amounting to more than €250m...Some 24 per cent of total lemon production in Spain is dedicated to meeting industry demand, 13 per cent for consumption in the internal market, 56 per cent for exports to EU countries and 5 per cent for exports to third countries. In Spain, around 40,000ha are dedicated to the production of fresh lemons, housing just over 9m lemon trees...More than 90 per cent of fresh lemon exports are concentrated in the 28 markets of the current EU. Germany remains the leading destination for fresh lemon exports from Spain, followed by France, the UK and Italy...

[fruitnet.com/eurofruit; 5 November 2019]

Citrus oversupply is latest hurdle for Florida growers to overcome

Hurricane Irma continues to challenge Florida's citrus industry. Two growing seasons separated from the September 2017 storm that flooded groves and uprooted citrus trees across the state, the industry has seen production rebound quicker than some anticipated. But now the problem is an oversupply of citrus because of fruit from other countries, and Florida growers may be forced to allow some of their crops to hit the ground without being harvested. Juice processors did not expect Florida citrus production to return to the level seen just before Irma and signed three- and five-year supply deals with growers from countries including Mexico and Brazil. Those contracts have left Florida growers, who had faced more than a decade of declining production, looking at a market glut. "It is dire. This is real," Senate Agriculture Chairman Ben Albritton, R-Wauchula, said this week. "This will be the season, not the season as in a single season, but a stretch, a season of time, that whoever is going to survive in the citrus business will come out the other end. And there is going to be a lot of people that don't. And that's a fact."...

[Freshplaza.com; 25 October 2019]