Global Citrus Scan (2020_7)

(John Edmonds 2 March 2020) Citrus Growers Association (CGA)

EU: RSA not to blame for Valencian citrus woes

The European Commission says there is "no data" to prove that the crisis in Valencia's citrus industry is linked to imports from South Africa. In its official response to a complaint filed by Valencian producers that the EU's free trade agreement with South Africa was causing serious damage the sector, Brussels suggested that the sector's lack of competitiveness had more to do with internal structural problems and other factors…Spanish agricultural union Ava-Asaja accuses South Africa of flooding the European market with citrus in recent years. It claims imports increased by 15 per cent this season, with the volume expected to keep on growing as non-EU producers increase their production. However, official EU data shows that most of the increase this has been during Spain's off-season, and that there has only been a 5 per cent growth in imports this year compared to the previous year. Furthermore, it notes that between 16 October and 30 November, the period in which tariff concessions for South African imports were extended under the 2016 Economic Partnership Agreement, imports were 49 per cent lower in 2018 than in the previous year, and represented just 2 per cent of the overall import volume. This suggests that the impact on Spanish sector would only be seen in the earliest varieties, and not throughout the entire campaign. Brussels said other factors were behind the price falls seen in Valencian citrus, such as the adverse impact of the climate on fruit size and quality as well as on demand, poor organisation of the region's grower base, and problems on the French border.
[Eurofruit; 26 February 2020]

SRCC expects early lemon crop, 10% up in volumes

"The markets are looking good, very good, very different from last year this time," says Hannes de Waal, managing director of the Sundays River Valley Citrus Company, based in Kirkwood. "We're extremely positive, we've had 160mm of rain since January, we're seeing bigger and cleaner fruit because we had fewer wind storms than last year – that kind of thing plays a big role in our area." They expect at least a ten percent increase from the Sundays River Valley. The lemon harvest in Limpopo is early and in the Eastern Cape it looks to also be the case, by about two weeks, Hannes reckons. "So everything is looking very positive, in Europe the market is short supplied compared to 2019, Spain's harvest is considerably smaller, Turkey also looks like they're not getting as much into the market as they did last year. On oranges it's also looking good, not a season that will blow the lights, but Egypt's orange crop is down a lot and prices are strong." He continues: "This season the wild card is coronavirus. We're very wary of the trouble the coronavirus could cause us. We have some time before our harvest starts, to wait it out. My feeling is that if it expands, the whole fruit world will be affected. We can't expect that for some reason we will escape it." A major exception to a favourable citrus picture is the juice and oil concentrate sectors due to high production last season and consequent roll-over stock…The fresh juicing market makes up 5 to 10% of their trade in both lemons and oranges. Hannes says he can clearly see that on the part of the consumer, there is a war being waged against fruit juice on the grounds of its sugar content, but he doesn't foresee a reduction in the amount of fruit sent for juicing.
[Freshplaza.com; 27 February 2020]

Budget hints at plans to reverse SA ports' efficiency decline

In Wednesday's Budget Review, tabled by the National Treasury -alongside the 2020 Budget- that was delivered by Minister of Finance Tito Mboweni, the risk posed by failures and inefficiencies at South Africa's main ports to the country's economy was acknowledged in Parliament…Within this weak growth environment, Government needed to implement interventions that would "jump-start growth". According to the Budget Review, this would entail "stronger investment by, and partnerships with, the private sector" especially aimed at expanding electricity generation and improving the performance of ports. The Citrus Growers Association (CGA) of South Africa called on government, in a statement issued prior to the delivery of State of Nation Address by President Cyril Ramaphosa earlier this month, to provide an update on efforts to address the serious challenges at South African ports...The citrus industry, which was expecting another bumper year in 2020, warned that it was likely that citrus exports volumes would be negatively impacted if the current problems at major ports were not resolved.
[Farmersweekly.co.za; 26 February 2020]