Global Citrus Scan (2020_12)

(John Edmonds 24 April 2020) Citrus Growers Association (CGA)

First Argentinian lemons on their way to Europe

Argentinian lemons will soon arrive in European markets, where they will compete with the Spanish Verna lemons in the first months…On April 29, lemons will arrive at the port of Saint Petersburg, while in Europe the goods won't be available until the first half of May," says Manuela Leyba, commercial director of Cauquen Argentina, which will go from 5,000 pallets sold last year to about 8,500-10,000 pallets this year, if the campaign goes as expected…"In weeks 23 and 24, we expect there to be consistent volumes of Argentinian lemons in Europe, where we will compete with the Spanish Verna. The latter's season seems to be ending sooner, as the retail is absorbing what is not sold on the horeca and wholesale markets as a result of the lockdown. Spain will have a great supply of large sizes, so our campaign could be a good complement if we continue to have mostly medium and small sizes," said Manuela Leyba.

[Freshplaza.com; 23 April 2020]

Reports of food price gouging during lockdown on the rise

Any businesses found guilty of unjustifiably excessive pricing on essential foodstuffs during the national COVID-19 lockdown could be fined up to R1 million and/or up to 10% of their turnover and/or being imprisoned for up to 12 months.The sellers of foodstuffs, who exploit South Africans currently under lockdown restrictions by unjustifiably hiking prices of high-demand staples, will face serious consequences, such as hefty fines and imprisonment. The public has been urged to report price-gouging of any kind to organisations such as the National Consumer Commission (NCC) and the Competition Commission (CompCom) for further action. The NCC's acting commissioner, Thezi Mabuza, told Farmer's Weekly that while price-gouging on hygiene products was initially the main problem during the early days of the national lockdown, the NCC had more recently observed a shift towards unjustifiably excessive pricing on essential foodstuffs. This was in contravention of regulations signed into power by the Minister of Trade and Industry, Ebrahim Patel, on 19 March, only a week before South Africans were placed in compulsory lockdown to contain the spread of the coronavirus disease (COVID-19). "[The] regulations [state] that a supplier is prohibited from increasing the prices on goods or services above the average margin or mark-up for [those] goods or services in the three-month period prior to 1 March 2020…Dr Marlene Louw, an associate in consumer and food economics at the Bureau for Food and Agricultural Policy, said that while there were a variety of factors, such as the weaker rand and also supply and demand drivers that justified legitimate price increases on staple foods during the lockdown, these increases became exploitative when they went beyond these fundamental factors.

[farmersweekly.co.za; 17 April 2020]

Cause for concern at RSA ports

Previous concerns about the availability of containers and slow loading operations in some ports are materialising as the South African citrus and apple industries are moving into their peak shipping period…Logistics service providers have warned for some time that there could be shortages after the Easter weekend when the demand for containers increases because of the growth in citrus deliveries…Shortages are attributed to the fact that ports have cut their operations as a result of the government lockdown, operating a single berth at most facilities and reduced hours of working. As a result, containers could not be dropped off in South African ports at the same tempo as last year, while loading and the normal arrivals of vessels have also been affected…During the past 20 years containers have firmly entrenched themselves as the favoured mode of exporting fruit from South Africa. However, conventional reefers have been used effectively in servicing special markets where special phytosanitory regulations apply. In the present Covid-19 environment, and with difficulties experienced with loading and shipping containers, conventional reefers may well make a comeback…"Some growers and exporters are resisting switching between these modes of shipping as it is a huge disruption in the packhouse and the logistics chain, but we are telling them that it may well be the solution for this year's challenges," says one logistics service provider…It is unusual to see a conventional reefer vessel loading in Cape Town for shipments to Europe at this time of the year, and yet that happened last week with a shipment of apples, before the vessel continues to Durban where it will load citrus for the European market.The South African industry has long urged the government to consider privatising the export terminals. They now say that the problems which have been brought to the surface by the lockdown and reaction to it will hopefully advance the idea of public and private sector partnerships to help solve these problems.

[Eurofruit; 22 April 2020]