Global Citrus Scan (2020_18)

(John Edmonds 19 June 2020) Citrus Growers Association (CGA)

United Kingdom will apply a 16% tariff to Valencian Clementines

The United Kingdom has communicated its decision to tax clementines and other mandarins in the European Union as of January 1, 2021. In the case of oranges, the customs duties announced by London would be 3.2%.

This is a direct consequence of Brexit and the configuration announced by the British Government would have a catastrophic impact on citrus exports from the Valencian Community…Spain is the world's leading exporter of fresh citrus, the United Kingdom is its fourth client country, with some 288,000 tons per year , and, of these, about 200,000 are clementines and satsumas , which are produced and exported mainly from the Valencian Community…The United Kingdom buys citrus from other countries outside the EU, especially South Africa, Morocco, Israel, Egypt and Turkey , and also in increasing quantities in recent years, which can now be spurred by the noticeable difference in trade treatment…While London announces that it will apply customs tariffs of 16% and 3.2%, respectively, to mandarins and oranges in Spain, the directly competing countries have already signed or are about to close preferential agreements that in all cases conclude with 0% customs duties…

[fruittoday.com; 18 June 2020]

Huge losses of Egyptian Orange importers in China

…Shortly after the Chinese New Year, at the start of Covid-19, the market conditions for Egyptian oranges were relatively good…At the same time, orange exports from Egypt to Europe have grown rapidly. Good sales conditions have boosted the price of Egyptian oranges. Some Chinese importers bought and stored Egyptian oranges at the time. They were hoping to sell them at higher prices later in the season. However, the market has taken an unexpected turn. The agricultural season for orange production did not end until June in China. In addition, many restaurants and beverage stores have temporarily closed. During this period, the quality of the oranges stored deteriorated. This had a serious impact on the conditions of the sale of Egyptian oranges. Traders with stored oranges were ready to sell them before they went bad, so they had no choice but to sell them at a low price.

[tridge.com; 18 June 2020]

Rains in Spain prevent record citrus production

The frequent rainfall this spring has taken its toll on the citrus production in the Spanish Region of Valencia. After the forecast that the harvest could reach record figures in the 2020-2021 campaign (given the exuberant flowering registered this season), the impact of the rains will not only prevent the initial prospects to be met; some varieties register decreases in their production. By mid-April, it became clear already that there were a lot of rotten flowers due to excess moisture. It was still hoped that with so much orange blossom around, the impact would not be that great, but reality has exceeded all expectations. Many fields that were practically white from the flowers have ended up almost empty of fruit. It is still early to offer actual figures, but sources from the sector claim that in the next campaign there will be fewer early and late mandarins, a little more Navelina (6-7%), more Clemenules (7-8%), slightly fewer Lane Late oranges and a remarkable reduction in the volume of late oranges.…

[Freshplaza.com; 16 June 2020

Mixed bag of grapefruit markets for South Africa

About three-quarters of South Africa's grapefruit, both white and red, have been shipped. Fruit quality and packouts have been good. After an early crop that was almost "abnormally" skewed towards the larger calibres (with a peak on count 35), fruit at either end of the size spectrum are being held back because of resistance in the EU, Middle East, Far East and Russia. Overall shipped volumes are only slightly up (4%) YTD to the previous two years, but after a banging start the season is likely to "fizzle out" fairly quickly, notes the grapefruit focus group's latest memo. Japan is a dominant buyer of South African Star Ruby and Marsh grapefruit, but sales have been down by a quarter compared to last year in a campaign that has been severely impacted by logistical difficulties as well as (particularly in the case of Marsh grapefruit) the absence of HoReCa sales. "At these sales levels there are four to five weeks of grapefruit stock in the market, with three more conventional vessels still to discharge," notes the grapefruit focus group of the Citrus Growers' Association. "This excludes the vessels currently loading and others still in the planning." South Africa's exports to Japan started earlier and it is expected that overall volumes to Japan will be lower this season. In China the arrival of two conventional vessels with South African grapefruit has coincided with a slide in the price. Up until week 23 red grapefruit exports to China went up by 22%. Chinese receivers will work away the volumes, but, they warn, pricing will be below what the fruit was loaded for. The large jump in the export of processing grade grapefruit – up by 30% from last season – is not doing class 1 fruit in China any favours and it is a matter of some concern to the Citrus Growers' Association as well as some exporters. "The most important question coming out of this season is whether we are adding value to growers or destroying value by virtue of the high volume of PP fruit exported coupled with the concern that the fruit might not be used for processing purposes but end up at sales points in competition with Class 1 fruit."…

[Freshplaza.com; 8 June 2020