

CGA Variety Update (2017_Week 28)

John Edmonds (24 July 2017)



Citrus Growers Association (CGA)

Lemons:

The projected final export remains for now, at March's estimate of **17.6** million cartons. Packing is 30% up on last year's at **15.8** million cartons. Lemon shipments at **13.5** million cartons are **21%** up on last year's **11.1** million cartons at this stage. In Russia 2nd category lemons from Argentina and South Africa kept prices down in the market. Large volumes were available at around \$1.02/kg whilst good quality lemons are in shortage, fetching about \$1.17/kg.

Soft citrus:

The projection remains at the original **13.5** million cartons. Current packing volumes (end week 28) show soft citrus up 1% on 2016's at **8.8** million cartons packed to date. Late mandarin types are up 20% on last year's cumulative exports at the same time. To end week 28, soft citrus shipments at **7.9** million cartons are **7%** up on last year's **7.4** million cartons. In Russia, RSA novas fetched the best prices around \$12.50 to \$14.17 per 10kg box compared to RSA Clementines at \$8.34 to \$11.67. USA market reports for soft citrus indicate demand is good and inventories manageable and a relatively stable market is expected going forward.

Oranges:

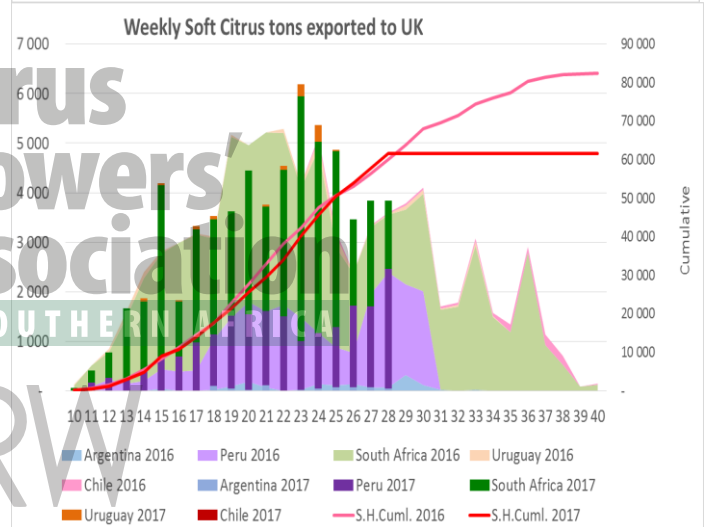
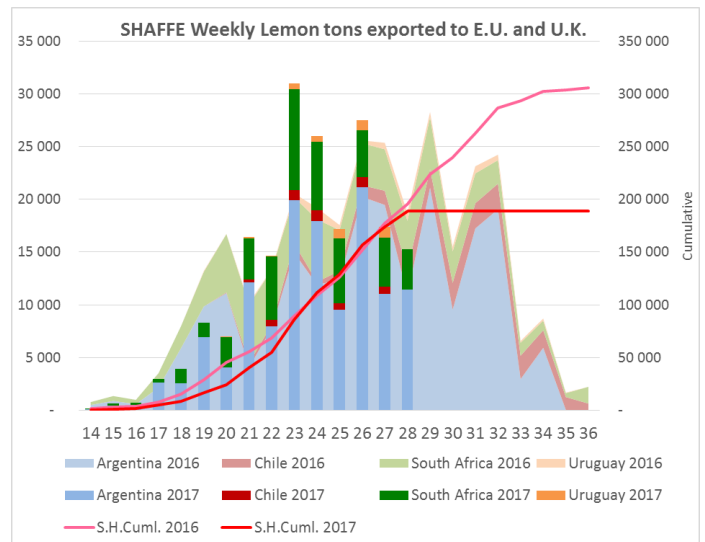
Orange projections for the season are unchanged with Navels at 21.8 million cartons and Valencias projected at 47.9 million cartons. At end week 28, PPECB packing data shows navels down -20% (16.7 vs 20.8 million cartons) and valencias up 19% (12.1 vs 10.1 million cartons). Agrihub data shows shipping of oranges is picking up; now 13% down on last year at end week 28 (20.8 vs 23.8 million cartons).

European sources report prices have remained firm for quality product. RSA navel offering has seen quality issues, putting pressure on the prices. Spanish standard navels range from 1.00 to 1.10 Euro per kg whilst RSA navels fetched between 0.90 and 1.00 Euro per kg in week 28.

As expected prices dropped in Russia in week 29 with orange prices of USD 17.50 per 15kg carton for first grade RSA navels and \$18.34 for valencias.

In the USA week 29 saw the third South African bulk vessel 3 000 pallets of navel oranges and 1 000 pallets of soft citrus and grapefruit. Chilean navel orange shipments are significantly higher than last year but supply has been erratic due to weather issues. The East Coast navel orange market has returned to normal early season price levels. With the gap left by California's early exit, stocks are expected to clear quickly in spite of big South African and Chilean arrivals in the next few weeks.

The movement of oranges in China improved in week 28 with RSA navels the main imported variety.



Grapefruit:

The Southern African projection remains at 13.1 million cartons (17kg); compared to the initial estimate of 13.8 million cartons. PPECB packing data (12.4 million 17kg cartons) indicates volumes are up on last year's by 14% to end week 28. Agrihub shipping data shows volumes **7%** up on last year at end week 28.

Market reports from Europe demand has slowed down due to the competition of summer fruits and the holidays. The peak of arrivals in Europe took place earlier than usual and accumulated stocks should just enable to ensure the sales until the beginning of the Mexican season at the end of August. Thus prices have remained high for the season and the market has remained under control. Prices range from 16 to 18 Euros per 15 kg box in week 28.

In Russia, with supply dropping off, grapefruit prices were in the range of \$11.25 to \$15 for a 15 kg carton.