

## Excellent soft citrus and navel crops amid uncertainties

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At the Sundays River Citrus Company, apart from their mainstay of lemons, they've started packing navels and Novas, crops formed under the most favourable growing conditions the district has had in years (good rain, less wind, amicable industrial relations). In addition, export demand for soft citrus and navels is very strong.

If it were not for the unknowns of the season, this might have been a tremendous citrus campaign. However, as it is, says Hannes de Waal, managing director of the Sundays River Citrus Company, the only position to take is one of optimistic uncertainty.

### **No suitable consumer behaviour model**

"You know you have a product that the consumer wants, and we're very happy with the sizes and the quality we're seeing, but when this pandemic is over there are many people in the West who won't have an income anymore.

"For the first time since the world wars people have been told to go back to their homes, and the model that predicts consumer behaviour from here on does not yet exist," says De Waal.

What is obvious, he notes, is that people are spending their money on two things: food and home entertainment.

The South African lemon season started earlier and at a heady pace, filling the gap left by Spain's lighter crop.

### **Big lemon volumes expected**

"The big question is what South Africa and Argentina are going to do with their large volumes. The juice and oil markets are not strong, but the fresh markets are not bad. If consumption continues as it is at the moment, it could be a very good season. If consumption drops, we could have a problem. However, there is no indication of a drop in consumption yet," De Waal explains.

Lemon consumption in Europe seems normal, perhaps a bit stronger than usual, but the industry is so fragmented, he says, that there is an absence of good market reports. They are also worried about a possible change in consumption patterns.

"In the Middle East lemon demand wasn't very strong, just as we expected. This was due to the huge amount of early South African lemons from the north of the country, particularly small counts, sent to Saudi Arabia, Iraq and Dubai. However, the market has been absorbing the fruit. Middle Eastern lemon shipments are decreasing, which should stabilise the market."

### **China emerges as a lemon exporter**

Southeast Asia has been rather disappointing, De Waal says, adding that it has been difficult to find out exactly what market conditions are like. Nevertheless, it is slowly changing back to the way things were as countries start emerging from the shadow of the pandemic.

Another unknown is China's growth as a lemon exporter to destinations such as the Middle East and the Ukraine. "The economies of oil-producing countries are another worry," De Waal adds.

There is a preference for citrus at this stage, but whether it is a trend and how long it will continue is impossible to predict.

### **Citrus sales might fare better**

"The whole world is different. Will the familiar Northern Hemisphere holiday pattern kick off as usual? I wonder about that," De Waal continues. "And maybe citrus sales won't drop like it has always dropped that time of the year. However, restaurant owners tell me they expect that the

restaurant sector will only return to normal in at least two years' time. I think people will prefer eating at home for a while still to come, and citrus consumption will stay high, which is good for us.

"We're taking it day by day, but the level of uncertainty is enormous. You're sitting with an immensely complex set of variables. Suddenly all the rules have changed. Lockdown regulations are costing us an arm and a leg. We are not skimping on a cent to keep our people safe and we are implementing all sorts of extra precautions. We're keeping our heads down, doing what we can, and if all our people can still be working next year, and all our farmers are still here, then we've succeeded."

De Waal notes that the disease is on the rise in the nearby cities of Port Elizabeth and East London and that there has been one confirmed case in the Sundays River Valley. – [FreshPlaza](#)

