

South Africa profits from low rand Uruguay dependent on United States

The South American countries and South Africa in particular have a lot of mandarins and other small citrus available. The Spanish season started with the first early varieties this week. On the eve of the beginning of the season in Egypt, Morocco, Turkey and Pakistan, exporters think it's still too early to talk about expectations. In export, South Africa profits from the low rand exchange rate. That same low rand almost pushes Argentine exporters out of the market. The Argentine peso hasn't lost that much in value. A bad Russian market isn't helping the Argentines either, but Asia and Arab countries appear to be good alternatives. Uruguay is making headway in the United States, increasing its market share there. Peru exports more mandarins, although the country's general export figures are showing a dip. In Europe, Spain is expecting lower volumes, and Italy is investing in season extension, both before and after the current season. Australia was also able to, albeit with small volumes, increase its export to Europe.



South Africa profits from low rand

The production of small citrus in South Africa has increased in recent years. While in 2006 the harvest was still 123,128 tonnes, in 2014 it had increased to 195,293 tonnes. The export also increased from over 85,000 tonnes in 2006, to nearly 150,000 tonnes in 2014. The main production regions are Western Cape (41%) and Eastern Cape (33%). The other regions have smaller market shares.

An important export market, accounting for 36% of the export, is the United Kingdom, followed by Northern Europe with 21%. For the early mandarins, Europe is the most important market, accounting for sales of half of the volume. Following a dip in 2013, the export to the United States is back to 2012 levels. In 2014, 15% of the clementines were shipped to the United States.

"So far, we've packaged 9.6 million boxes of small citrus," one trader said at the Fruit Logistica in Hong Kong. "Our original target was 10 million, so we still have some way to go with the late varieties. I think we'll end up a bit above the first expectations."

The devaluation of the South African rand plays into the hand of exporters in the short term. The products become more attractive in overseas areas. On the other hand, prices for things like transport and packaging could go up in the long term as a result of the exchange rate.

South America

Uruguay dependent on United States

Uruguay is making headway in America. The country plays an increasingly important role in the citrus market there. Of the export, 20% goes to the United States, making the entire sector highly dependent on this market. This season, the goal is to ship 15,000 tonnes to the US, an ambitious goal, seeing how the country has only had access to the US for two years. In 2014, 7 million dollars' worth was exported. For this year, the expectation is 17 million dollars.

Mandarin export grows against Peruvian economic trend

In July, the first mandarins were shipped to the United States from Peru. One American importer then said he was pleased with the quality of the fruit. Although the Latin American country is going through difficult times economically, the export of fruit and vegetables is on the up. For mandarins, the growth figure is 12.7%. Statistics show the export of mandarins increased by 194.3% between 2009 and 2015 in the months of January-July. In the first months of this year, the export amounted to 47.2 million dollars, a 12.7% increase compared to 2014. Main market is the US, with 17.8 million dollars and a market share of nearly 38%. Other important destinations are the United Kingdom (28%) and Canada (17%).

Argentina finds good market in Asia and Arab countries

The season is over, but exporters are looking back with mixed feelings. The Russian market was bad due to the weak rouble, putting revenue for Argentine companies under pressure. 60% less was shipped to Russia this year. And although there are still mandarins in storage, the quality isn't terribly good.

The export to Southeast Asia and the Arab countries did go well, despite smaller volumes of Murcott and Clemenville. The Philippines and Indonesia were the main markets. For the large calibres, Canada turned out to be a good market, although the total volume for this northern market turned out lower.

Argentine trade is hampered by the devaluation of various currencies. Seeing how the Argentine currency didn't lose value, the competition position compared to South Africa, for instance, has worsened. Not much is left of the position the country had in 2008 as the main exporter in the southern hemisphere. The cultivation of citrus is divided among relatively small companies of 20 to 30 hectares, making for a total of 2000 companies.

Europe

Spain positive, but lower volumes expected

This week, the Spanish citrus season has started, and the first mandarins entered the market. Prices in the field were between 23 and 32 cents per kilo, a year earlier that was 17 cents. The Spanish sector is expecting lower volumes due to high temperatures and hailstorms. The decline is expected for Clementine, Okitsu, Satsuma Owari, Clausellina, Oronules and Marisol.

For the Valencia region, a 40% decrease is expected for the early mandarin varieties, but Dutch importers question whether these figures are right. The importers are getting reports from shipping agents that sufficient volume is available in several calibres. The Spanish exporters have good expectations, Argentina has shipped less to Europe, and South Africa seems to be focusing on other markets.

Italy invests in season extension

The Italian tangerine market is looking interesting. The fruit is popular thanks to its flavour, the seedless fruit and easy peelers are doing well. Italy, particularly the south, has invested in new varieties to extend the season in recent years. Both in September/October and in February/April. Investments were also made in the clementine cultivation in major regions like Rosarno, Gioia Tauro, Corigliano, Sibari, Rossano, Metaponto and Taranto.

The first mandarins from Uruguay arrived in Italy at the start of the week, but volumes are low. This applies to Argentine shipments as well. Prices are around 1.70 Euro per kilo. The first Italian clementines will enter the market in October.

Belgium opts for Nadorcott

At the moment, the quality of South African Nadorcott is so high that one Belgian exporter says they only import this variety. This week, the Murcott have also become available on the Belgian market. Trade is going well. In the Brussels trade centre, some traders have already started with the first Spanish mandarins. Others prefer to wait until the Clementines with leaves are available.

First Spanish mandarins in the Netherlands

Supplies of mandarins, especially Nadorcott, from Brazil, Argentina, South Africa and Peru are going well. "Like the entire range of citrus this summer," one importer says. Peruvian mineolas yield 11 to 13 Euro, a price the importer is satisfied with. The first Spanish mandarins are now available as well. The Iwasaki (Satsuma) is followed by Navelinas, Okitsus, Clementines and Salustianas in the coming weeks.

The colour and flavour of the first Spanish mandarins is appreciated. The Scandinavian market in particular prefers the fresh sweet flavour of the early mandarins. Denmark forms an exception, the country tends to wait for the first Clementines. The first Spanish mandarins yield 1.10 to 1.20 Euro per kilo for the good calibres.

French importer stops import

In this time of year, early September, demand for clementines in France is so low that one citrus importer says they stopped importing. In the course of the fall, demand for clementines increases, just like demand for oranges.

Growth for Israeli sector

The Israeli cultivation of small citrus is divided between supplies for the domestic market and export. Some varieties are only sold on the domestic market. Large volumes are available of various small citrus varieties, including Mineola, Suntina and Orri. The export of Orri has increased significantly over the past years. While in the 2012/2013 season 4.6 million boxes of Orri were exported, in 2014/2015 this was 6.2 million boxes. For the Suntina, the trend is less clear, following a dip in 2013/2014, the export is as good as back to the traditional level of around 1 million boxes. In tonnes, a similar growth is noticeable. These figures are up to week 22 (ending on May 30).

Australia exports more thanks to favourable exchange rate

The exchange rate of the Australian dollar is favourable for the exporters, and the harvest 'down under' is good. Although volumes are small, one exporter reports having increased their export to the United Kingdom to 100 containers. The most important variety is Nadorcott. In addition to the favourable exchange rate, Australian export also profits from the gap in the market before the start of the Spanish and Moroccan season. In the coming years, exporters are expecting to fill these gaps more often. Still, Asia remains the most important market.

United States focusing on W.Murcotts

The most important suppliers of mandarins are Chile and Peru this time of year. The domestic harvest starts in the autumn. The import of Clementines from Chile has increased by 10% this year, for the W.Murcotts a 40% increase is expected.

One American importer says the biggest risk about the import from Peru is the cold treatment the fruit has to undergo, according to US phytosanitary requirements. Even if the fruit is of good quality and has a long shelf life, the cold treatment has a negative impact. The skin is damaged, and shelf life shortened.

Chinese season starts in October

The Chinese season starts in October and lasts until April. The small citrus is grown in the provinces of Fujian, Guangdong, Sichuan, Guangxi, Zhejiang, Jiangxi, Hunan and Hubei. For this season, a good harvest is expected in Fujian. The mandarins are sold to retail and exported. Southeast Asia is a particularly big market, with Singapore, Malaysia, the Philippines and Indonesia being frontrunners. The total export from the port of Xiamen is 3000 containers per season. Due to the devaluation of the Chinese currency, lower prices are expected.

Every week, FreshPlaza publishes an overview of the market situation of a product in a worldwide context. With these articles, we're aiming to give an idea of a global market that's becoming ever smaller as a result of globalization. Next week, the spotlight is on pineapples.

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