

Tjeerd Hoekstra, Dole Europe:

"High but flat price for South African oranges"

With the duty deadline of 15 October looming, South African orange exports to Europe are entering their final phase. "The market is quite quiet at the moment but is progressing steadily. We are dealing with a very flat price level. Prices of €15.50-18 are historically very good, but given the tighter supply, we had thought the level would slip further. Apparently, due to the high prices, less is being consumed anyway," notes Dole Europe commercial manager Tjeerd Hoekstra.

High juice market prices

He explains the 25% lower supply due to several reasons. "First of all, we are dealing with the high prices in the juice market. This allows growers to bring their citrus to the factory at a good price - and without too much risk. All category II and outside sizes therefore go directly to the processing industry," Tjeerd says.



"In addition, there are many orchards blacklisted this year or last year because of Citrus Black Spot, which are not eligible to be exported to Europe. Also, Black Spot is still intercepted in the fields and packing stations. This leads to relatively

few interceptions but is one of the reasons why less fruit is coming to Europe."

"Furthermore, in the Citrus Valley, a late production area, there has been massive rainfall both a few months back and recently. This has resulted in fruit that is no longer exportable or even coming off the tree. You normally still see a spike in small sizes at the end of the season, but I don't see that final spurt coming now," the importer continued.

Few lemons available

"At the beginning of the overseas season, there was still a large supply of Spanish lemons and demand was limited. Prices then were between 14 and 16 euros. Meanwhile, the situation has reversed and there are very few lemons available and prices are at a level around 20-25 euros and now even shooting through 30 euros. Spanish Verna seasons of the old harvest are still on offer, so we are partly missing Southern Europe as an outlet. Meanwhile, the new Spanish and Turkish lemon season is already in the starting blocks. These find eager sales in an empty market."

"Grapefruit sales are a somewhat repetitive story. Every year, consumption declines. We see this even in France, which was traditionally a really big market for grapefruit. So the programs to Europe are at a significantly lower level, while prices have not been significantly high. If you have grapefruit now, you can make good money, but hardly anyone has them anymore. We see that grapefruit is a typical product for the old generation, among the younger generation grapefruit is eaten much less."

The organic range is an important spearhead for Dole. However, as far as overseas fruit is concerned, this market remains limited, according to Tjeerd. "The challenges are considerably greater than in conventional cultivation. Besides growing organic fruit, shipping oranges also pose a greater challenge. Our regular citrus partner recently wrote an interesting article

(https://www.agf.nl/article/9661188/europa-s-citrusprotocol-veroorzaakt-enorme-waardevernietiging/?utm_campaign=shareaholic&utm_medium=email_this&utm_source=email) on this. All in all, the market for organic citrus from abroad remains a challenge that requires a lot of expertise, from the soil to the end consumer. But it is well worth the challenge because, firstly, it is a good and tasty product and also an important addition to the fruit available from Europe. Recently, we have the organic expertise available within the Dole group (see contact below)."

Longer transit time

Logistically, according to Tjeerd, not much has changed yet. "The transit time has become a lot longer than a few years ago. We will have to confirm to this 'new

normal', but it doesn't make it any easier. In any case, reacting to price fluctuations becomes a lot harder because of this!"



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